

ANNUAL INFORMATION FORM

For the year ended December 31, 2021



BEAR CREEK MINING CORPORATION

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Dated April 26, 2022

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PRELIMINARY NOTES

In this Annual Information Form, (“**Annual Information Form**” or “**AIF**”), Bear Creek Mining Corporation is referred to as the “**Company**”, “**Bear Creek**” or “**BCM**”. Unless the context otherwise indicates, these references include the subsidiaries described under “Corporate Structure - Intercorporate Relationships”, below.

Date

All information contained herein is as at and for the year ended December 31, 2021 unless otherwise specified.

Currency

This AIF contains references to United States dollars, Canadian dollars and Peruvian Soles. The Company’s functional currency is the United States dollar, referred to herein as “**\$**” or “**US\$**”. Any amounts reported herein in Canadian dollars are referred to as “**C\$**” and in Soles as “**S/**”.

On April 26, 2022 the Sol to US dollar daily exchange rate was S/3.82 to US\$1.00, and the Canadian dollar to US dollar daily exchange rate was C\$1.28 to US\$1.00 (as per currency exchange rates quoted on www.bloomberg.com).

Additional Information

Additional information relating to the Company, including its consolidated financial statements and management's discussion and analysis for its most recently completed financial year, may be found on SEDAR at www.sedar.com and on the Company’s website at www.bearcreekmining.com.

Additional information, including Directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company’s Information Circular dated April 26, 2022.

Cautionary Statement Regarding Forward-Looking Statements

This AIF contains forward-looking statements or forward-looking information under applicable Canadian securities laws and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (hereinafter collectively referred to as “**forward-looking statements**”) concerning the Company’s plans for its properties, operations and other matters. These statements relate to analyses and other information that are based on management assumptions and estimates of future results and estimates of amounts not yet determinable.

Statements concerning estimates of mineral resources (as defined herein) and mineral reserves (as defined herein) may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically and legally exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “**expects**” or “**does not expect**”, “**is expected**”, “**anticipates**” or “**does not anticipate**”, “**plans**”, “**estimates**” or “**intends**”, or stating that certain actions, events or results “**may**”, “**could**”, “**would**”, “**might**” or “**will**” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements made or incorporated by reference in this AIF include, but are not limited to, statements with respect to:

- acquisition of the Mercedes Mine (as defined herein) and the expected benefits to be derived therefrom;
- future payments due in consideration of the acquisition of the Mercedes Mine;
- anticipated operational results from the Mercedes Mine;
- the timing of exploration, development and construction programs at any of the Company's properties
- expectations regarding the presence and continuity of mineral deposits;
- anticipated tonnages and grades of mineral resources and mineral reserves;
- the Company's expected development of, and metal production from, the Corani Property (as defined herein);
- the Company's ability to secure project financing for development and construction of the Corani Property;
- the Company's ability to raise capital for the deferred Mercedes acquisition payment and/or for working capital purposes;
- the Company's ability to cover any debt obligations;
- the effects of COVID-19 or other public health crises on operations
- anticipated construction timelines for the Corani Property;
- the reliability of capital and operating cost estimates for the Corani Property;
- the capacities of various machinery and equipment;
- the availability of personnel, machinery and equipment at estimated prices;
- potential Corani project financing structure and costs;
- anticipated mining losses and dilution;
- currency exchange rates;
- appropriate discount rates;
- tax rates and royalty rates applicable to the Mercedes Mine and the proposed Corani mining operation;
- expectations regarding environmental or social issues that may affect exploration, development or operations;
- the anticipated impacts and benefits of social programs at any of the Company's properties;
- future environmental and social initiatives and plans;
- future community benefits payments under the Corani LOM Agreement (as defined below);
- the formation of joint ventures and/or strategic partnerships with respect to the Company's properties; and
- exploration activities and/or plans on any of the Company's properties.

Forward-looking statements are subject to a variety of inherent risks and uncertainties, both general and specific, which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation:

- risks related to gold, silver, lead, zinc, and other commodity price fluctuations;
- risks related to actual metal recovery, extraction or production rates and amounts differing from those anticipated and/or forecasted;
- risks and uncertainties relating to the interpretation of drill results, and the geology, grade and continuity of mineral deposits;
- risks related to the metallurgical characteristics of mineralization contained within the Company's properties differing from current expectations or being not yet fully determined;
- the possibility that future exploration, development or mining program timelines or results will not be consistent with the Company's expectations and/or the results of economic studies including Feasibility studies (as defined herein);
- risks related to the disruption or delay of exploration and development activities as a result of the ongoing COVID-19 pandemic or other local, national, or global health and safety emergencies;
- risks related to variations in mineral content within the material identified as mineral reserves and mineral resources from that predicted;
- risks related to the escalation of costs estimates due to inflation;
- mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in production;
- risks related to the ability to obtain financing required to develop mining properties or to complete significant technical, environmental or engineering studies, including increases in financing costs or adverse changes to the terms of available financing;
- the potential for delays in exploration or development activities or the completion of Feasibility studies (as defined herein) and other geologic reports or studies, including changes in development or mining plans due to logistical, technical or other factors and changes in project parameters as plans continue to be refined;
- risks related to the Company's ability to collect, track and report on social and environmental programs and metrics and its ability to meet evolving global reporting standards accurately and in a timely manner;
- the uncertainty of profitability based upon the Company's history of losses;
- risks related to developments in world metal and minerals markets;
- risks related to foreign exchange fluctuations, including the fluctuations in the Canadian dollar, Peruvian Sol and/or Mexican Peso relative to other currencies;
- risks related to increases in the estimated capital and operating costs or the emergence of unanticipated costs;
- difficulties attracting the necessary work force;
- tax rates or royalties being greater than assumed;
- the effects of competition in the markets in which the Company operates;

- risks related to operations and infrastructure;
- risks related to environmental regulation and liability;
- risks associated with failure to maintain community acceptance, agreements and permissions (generally referred to as “social licence”);
- risks relating to obtaining and maintaining all necessary government permits, approvals and authorizations and regulatory approvals relating to the continued exploration and development of the Company's projects;
- legal risks;
- political and regulatory risks associated with mining and exploration; and
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

These forward-looking statements are based on certain assumptions that the Company believes are reasonable, including that:

- gold, silver and other commodity prices used the 2022 Mercedes Report (as defined herein) and will be sustained or improved;
- silver, base metal and other commodity prices used in the 2019 Corani Report (as defined herein) will be sustained or improve;
- actual production levels, operating costs and capital costs at the Mercedes Mine will not differ materially from the Company's expectations;
- development of the Company's Corani Property will be viable operationally and economically and proceed as expected;
- contracted service providers will perform substantially as agreed;
- any additional financing required by the Company will be available on reasonable terms; and
- the Company will not experience any material accident, labour dispute, social disruption or failure of plant or equipment.

Some of the important risks and uncertainties that could affect forward-looking statements are described in this AIF under “Risk Factors”, below. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward-looking statements are made based on management's judgement, beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if such judgement, beliefs, estimates and opinions or other circumstances should change, other than as required by applicable laws. Accordingly, readers should appreciate the inherent uncertainty of, and not place undue reliance on, forward-looking statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

The Company prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Terms relating to mineral resources in this AIF are defined in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) under the guidelines set out in the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards for Mineral Resources and Mineral Reserves 2014 (“**CIM Definition Standards**”).

The United States Securities and Exchange Commission (the "**SEC**") has adopted amendments effective February 25, 2019 (the "**SEC Modernization Rules**") to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the United States Securities Exchange Act of 1934. The SEC Modernization Rules have replaced SEC Industry Guide 7, which has been rescinded.

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "Measured mineral resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", which are defined in substantially similar terms to the corresponding CIM Definition Standards. In addition, the SEC has amended its definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" to be substantially similar to the corresponding CIM Definition Standards.

United States investors are cautioned that while the foregoing terms are "substantially similar" to corresponding definitions under the CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any Mineral Resources that the Company may report as "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources" under NI 43-101 would be the same had the Company prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", investors should not assume that any part or all of the mineral deposits in these categories would ever be converted into a more reliable category of Mineral Resources or into Mineral Reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any "Measured Mineral Resources", "Indicated Mineral Resources", or "Inferred Mineral Resources" that the Company reports are or will be economically or legally mineable.

Further, "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the Inferred resources exist. In accordance with Canadian securities laws, estimates of "Inferred Mineral Resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances as permitted under NI 43-101.

In addition, disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC has historically only permitted issuers to report mineralization as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained in this Annual AIF and the documents incorporated by reference herein containing descriptions of the Company's mineral properties may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

NI 43-101 Disclosure

With the exception of the sections under "Mineral Projects" entitled "Summary Section of the 2019 Corani Report" and "Summary Section of the 2022 Mercedes Report", the information provided in this AIF related to the Company's Mineral Projects, while not disclosing scientific or technical information or results, is based on work programs and initiatives conducted under the supervision of Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company who is a Qualified Person ("**QP**") as defined in NI 43-101.

Technical and scientific information presented below under "Summary Section of the 2019 Corani Report" and "Summary Section of the 2022 Mercedes Report" are excerpts from the Technical Reports (as defined in NI 43-101) prepared for the Company for the Corani Property and the Mercedes Mine, respectively (collectively, the "Technical Reports"). This excerpted information is subject to all the assumptions, qualifications and procedures set out in the Technical Reports and are qualified in their entirety with reference to the full text of the Technical Reports, which are available on the Company's website and under its profile on SEDAR. Each of the authors of the Technical Reports is an independent QP.

The Technical Reports are as follows:

- The Technical Report entitled "Bear Creek Mining, Corani Project, NI 43-101 Technical Report" dated and filed on SEDAR on, December 17, 2019 (the "2019 Corani Report"). The 2019 Corani Report was prepared by Ausenco Services Pty Ltd, with input from additional technical, legal and other consultants and the following QPs, employed by the respective firms as at the date of the 2019 Corani Report: Greg Lane, FAusIMM, Ausenco Services Pty Ltd; Kevin Gunesch, PE, Global Resource Engineering Ltd.; Terre Lane, MMSA, Global Resource Engineering Ltd.; Todd Harvey, SME Registered Member, Global Resource Engineering Ltd; Hamid Samari, MMSA, Global Resource Engineering Ltd.; Denys Parra, SME Registered Member Anddes Asociados SAC; Eduardo Ruiz, EFG Register Member, Anddes Asociados SAC; David Arcos, EFG Register Member, Amphos 21 Consulting, S.L.; and, Michael Meyer, Ph.D., MMSA, Meyer EPS Inc.
- The Technical Report entitled "National Instrument 43-101 Technical Report, Mercedes Gold-Silver Mine, Sonora State, Mexico", dated and filed on SEDAR on April 22, 2022 (the "2022 Mercedes Report"). The 2022 Mercedes Report was prepared by BBA Engineering Inc. and G Mining Services Inc. and the following QPs, employed by the respective firms as at the date of the 2022 Mercedes Report: Colin Hardie, P.Eng., BBA Engineering Inc.; Todd McCracken, P.Geo., BBA Engineering Inc.; David Willock, P.Eng., BBA Engineering Inc.; Shane Ghouralal, P.Eng., MBA, BBA Engineering Inc.; and, Julie-Anais Debreil, P.Geo., G Mining Services Inc.

Glossary

The following terms are used in this AIF and are defined as follows:

"CIM"	Canadian Institute of Mining, Metallurgy and Petroleum.
"NI 43-101"	National Instrument 43-101 - <i>Standards of Disclosure for Mineral Projects</i> . An instrument developed by the Canadian Securities Administrators that governs public disclosure by mining and mineral exploration issuers. The instrument establishes certain standards for all public disclosure of scientific and technical information concerning mineral projects.
"OTCQX"	A United States-based trading platform that facilitates trading for online, retail and institutional investors.
"Qualified Person" or "QP"	Conforms to that definition under NI 43-101 for an individual who: (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership

designation that (i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment; and (ii) requires (a) a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or (b) a recommendation for membership by at least two peers and demonstrated prominence or expertise in the field of mineral exploration or mining

"SEDAR"

The System for Electronic Document Analysis and Retrieval. SEDAR is an online database system used for electronically filing most securities-related information and documents with Canadian securities regulators and authorities. Documents filed on SEDAR are available to the public at www.sedar.com.

"tpd"

Tonnes per day. One metric tonne equals 1.1023 short tons.

"TSX-V"

The TSX Venture Exchange.

Conversion Factors

To Convert From	To	Multiply By
Feet	Meters ("m")	0.305
Meters	Feet	3.281
Miles	Kilometres ("km")	1.609
Kilometres	Miles	0.6214
Acres	Hectares ("ha")	0.405
Hectares	Acres	2.471
Grams	Ounces (Troy)	0.03215
Grams/Tonnes	Ounces (Troy)/Short Ton	0.02917
Tonnes (metric)	Pounds	2,205
Tonnes (metric)	Short Tons	1.1023

Mineral Elements

Au - Gold

Ag – Silver

Pb – Lead

Zn – Zinc

The following terms, used in this document and in NI 43-101, have been defined as follows (except as indicated) by the CIM, as the *CIM Definition Standards on Mineral Resources and Mineral Reserves*

<p>“Mineral Resource” or “mineral resource”</p>	<p>A concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.</p>
<p>“Measured Mineral Resource” or “measured mineral resource”</p>	<p>That part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.</p>
<p>“Indicated Mineral Resource” or “indicated mineral resource”</p>	<p>That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.</p>
<p>“Inferred Mineral Resource” or “inferred mineral resource”</p>	<p>That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.</p>
<p>“Mineral Reserve” or “mineral reserve”</p>	<p>A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-feasibility Study or Feasibility study.</p>

“Modifying Factors”	The factors used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
“Proven Mineral Reserve” or “proven mineral reserve”	The economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.
“Probable Mineral Reserve” or “probable mineral reserve”	The economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
“Preliminary Economic Assessment” or “scoping study”	As defined in NI 43-101, a study, other than a Pre-feasibility or Feasibility study, that includes an economic analysis of the potential viability of Mineral Resources.
“Pre-feasibility study” or “preliminary feasibility study”	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-feasibility study is at a lower confidence level than a Feasibility study. The CIM Definition Standards requires the completion of a Pre-feasibility study as the minimum prerequisite for the conversion of Mineral Resources to Mineral Reserves
“Feasibility study”	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility study

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CORPORATE STRUCTURE

Name, Address and Incorporation

The legal and commercial name of the Company is "Bear Creek Mining Corporation". The Company was incorporated under the British Columbia Company Act on August 31, 1999 under the name "4271 Investments Ltd.", and on September 30, 1999 changed its name to "EVEolution Ventures Inc." and increased its authorized share capital from 1,000,000 common shares ("**Common Shares**") without par value to 50,000,000 Common Shares without par value. On April 11, 2000, the Company obtained a listing on the TSX-V as a capital pool company. On November 14, 2002, the Company continued under the Yukon Business Corporations Act, changed its name to Bear Creek Mining Corporation, and increased its authorized share capital from 50,000,000 Common Shares without par value to an unlimited number of Common Shares without par value. On April 22, 2003, the Company completed its "qualifying transaction" on the TSX-V. On July 16, 2004, the Company continued under the British Columbia Business Corporations Act (the "**BCBCA**") and in connection therewith adopted its Notice of Articles and its Articles. Effective April 20, 2006, the Company's wholly-owned subsidiary, Bear Creek Mining Company (previously EVEolution Ventures (USA) Inc.), continued from the State of Arizona to the Province of British Columbia under the BCBCA and changed its name to "Bear Creek Exploration Company Ltd.", which subsidiary holds a branch office registration in Peru under the name "Bear Creek Mining Company Sucursal del Peru".

On April 21, 2022, the Company acquired "1336991 B.C. Ltd." and its subsidiary companies from Equinox Gold Corp. ("**Equinox Gold**"), which directly and indirectly wholly own the Mercedes gold silver mine (the "**Mercedes Mine**" or "**Mercedes**") in Sonora, Mexico.

The Company is domiciled in British Columbia, Canada and is a company governed by the BCBCA. The Company's principal place of business is located at Suite 1400, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6 and its registered and records office is located at Bentall 5, 550 Burrard St., Suite 1008, Vancouver, V6C 2B5. The Company also has operations offices in Peru at Av. Conquistadores 1144, Piso 6, San Isidro, Lima 27, Peru and in Mexico at Boulevard Jose Maria Morelos 307, Building F, Local 06, Loma Linda, Hermosillo, Sonora, Mexico, 83150.

Intercorporate Relationships

The Company holds its exploration, development and operations assets through a series of subsidiaries. The Company's organizational chart, as of the date of this AIF, is shown in the diagram below.

All of the Company's subsidiaries and the assets they hold are ultimately wholly owned, directly or indirectly, by the Company. The relative ownership of the Company's subsidiaries is subject to change if, when and as the Company capitalizes ongoing funding of subsidiary expenditures.

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Company

Bear Creek was a Peru-focused silver exploration and development company from 2003 until April 21, 2022, on which date it acquired the Mercedes Mine, an operating underground mine in Sonora Mexico currently producing gold and silver. Consequently, as of the date of this AIF, the Company is a junior precious metals producer with 100% ownership of two material mineral projects: the Mercedes Mine and the Corani Property, the latter of which hosts one of the largest, fully permitted silver-polymetallic deposits in the world. Descriptions of the Corani Property and the Mercedes Mine are provided under the headings "Mineral Projects – Corani Property", and "Mineral Projects – Mercedes Mine", below. Additional details regarding the Mercedes Mine acquisition are provided under "Three Year History and Significant Acquisitions", below.

Bear Creek strives for excellence in operating discipline, technical skill, environmental and social responsibility, corporate governance, and transparency. The Company's executives and directors have a substantial breadth and depth of experience discovering, advancing, financing, developing, constructing and operating mines in Latin America.

Three Year History and Significant Acquisitions

Between January 1, 2019 and December 31, 2021, the Company's primary business activities related to development of the Corani Property. The Mercedes Mine acquisition closed on April 21, 2022, subsequent to the end of the most recently completed financial year, and the Company has, to date, not reported any operating results from Mercedes.

Significant corporate and operational developments that have occurred over the past three fiscal years, and during the current year to date, are described below.

Year Ended December 31, 2019

- On March 5, 2019, the Company's Board appointed Alfredo Bullard as a Director of the Company effective March 6, 2019. Mr. Bullard was subsequently elected to the Company's Board by shareholders at the annual meeting of the Company held on June 5, 2019 (the "2019 AGM"). Mr. Bullard is an accomplished lawyer, author and professor and a Partner in the Lima, Peru law firm Bullard Falla Ezcurra +. Mr. Bullard is a member of the International Bar Association and various other legal institutions. Mr. Bullard graduated from the Law School of Pontificia Universidad Católica del Perú and holds a Master's degree in law from Yale University in the United States.
- Mr. David De Witt, a founding director of the Company who served on the Company's Board since 2003, did not stand for re-election at the 2019 AGM and retired effective June 5, 2019.
- On September 16, 2019, the Company's Board appointed Mr. Alan Hair as a Director of the Company. Mr. Hair was subsequently elected to the Company's Board by shareholders at the annual meeting of the Company held on June 3, 2020. Mr. Hair is a mineral engineer and senior executive with over 36 years of experience in the mining and metals industry. He is the former President and CEO of Hudbay Minerals Inc. During his tenure at Hudbay, Mr. Hair oversaw the successful acquisition, construction and development of the Constancia Mine in southern Peru. His areas of expertise span all aspects of mining operations and management including engineering and operations, business development, finance, marketing, environment, health and safety, risk management and legal and regulatory matters. Mr. Hair holds a Bachelor of Science degree in Mineral Engineering from the University of Leeds and the ICD.D designation from the Institute of Corporate Directors.

- On September 20, 2019, the Company qualified for, and commenced trading its Common Shares on, the OTCQX® Best Market (“**OTCQX**”) in the United States, under the symbol BCEKF. OTCQX is a United States trading platform that facilitates trading for online, retail and institutional investors.
- On November 5, 2019 the Company announced the results of an updated feasibility study for the Corani Property, which results were supported by an updated NI 43-101 Feasibility Study Technical Report entitled “*Bear Creek Mining, Corani Project, NI 43-101 Technical Report*” (the “**2019 Corani Report**”) dated, and filed by the Company on, December 17, 2019. The 2019 Corani Report was prepared on behalf of the Company by Ausenco with contributions from other mining and engineering consulting firms. Details of the 2019 Corani Report are provided below under “Mineral Projects – Corani Property” and a full copy of the 2019 Corani Report is available on the Company’s website and on SEDAR.
- In December 2019, the Company canceled the joint venture agreement with Minera Castor S.A.C. (“**MICSAC**”) on the Maria Jose property (the “**Maria Jose Prospect**”), and entered into a royalty agreement (the “**Maria Jose Royalty Agreement**”), pursuant to which the Company transferred its 49% equity interest in the Maria Jose concessions to MICASAC in exchange for a net smelter return royalty in the Maria Jose Prospect. The Company is no longer responsible for funding any future Maria Jose exploration or development expenses. Additional details regarding the Maria Jose Prospect are provided under “Mineral Projects – Other Projects – Maria Jose Prospect” below.

Year Ended December 31, 2020

- On February 6, 2020, the Company announced it had entered into an agreement with BMO Capital Markets (“**BMO**”) to undertake a bought deal financing of 7,145,000 Common Shares at a price of C\$ 2.10 per Common Share (the “**February 2020 Offering**”). The February 2020 Offering, in which BMO acted as lead underwriter with participation by Canaccord Genuity Corp. and Paradigm Capital Inc. (together, the “**February 2020 Financing Underwriters**”), was completed on February 18, 2020 and resulted in gross proceeds to the Company of C\$15,004,500. The February 2020 Financing Underwriters also partially exercised their over-allotment option to acquire an additional 760,000 Common Shares. Including the proceeds from the exercise of the over-allotment option, the total gross proceeds of the February 2020 Offering were C\$16,600,500 with a total of 7,905,000 Common Shares being issued.
- On March 3, 2020, the Company announced that it had engaged BNP Paribas and Société Générale as Joint Lead Arrangers (together, the “**JLAs**”) to arrange a US\$ 400 million senior secured credit facility (the “**Facility**”). The Facility, if concluded, will be used to partially fund construction of the Corani Property. The JLAs will use commercially reasonable best efforts to arrange the Facility with a syndicate of banks and financial institutions. Any Facility proposed by the JLAs will be subject to approval by the Company’s board of directors.
- The JLAs have largely completed technical and legal due diligence and have begun efforts to form a banking syndicate composed of international finance banks, export credit agencies and others. As of the date of this AIF, arrangement of the Facility remains in process. There can be no assurance that the Company will be successful at arranging a senior secured credit facility on terms that are acceptable to the Company.
- On September 18, 2020, the Company announced its intent to commence construction of several capital projects in the Corani region to support the long-term health, education and economy of local communities and provide early construction infrastructure for the Corani mine. These projects are in addition to construction of the Antapata electrical substation, which commenced in 2018 and is further described below, and include:

- Implementation of a rapid response health care center in the community of Isivilla to provide local, specialized therapy for COVID-19 infection, including oxygen concentrators and ten treatment beds.
- Installation of transmission towers from the Antapata substation, initially to the community of Isivilla, to deliver medium tension electrical service to the Carabaya Province, including the town of Macusani and communities within the Corani district and, eventually, high tension electrical service to the Corani mine site. The transmission towers will also be used to provide fiber optic internet service to local communities enroute to the Corani project that do not have this service, improving access to technology and supporting on-line classrooms.
- Construction of an Alpaca Research Center to house the initiatives already being advanced in partnership with Corani-area communities to enhance alpaca health and husbandry, and to continue research towards the creation of unique and innovative products from local resources.
- Construction and upgrading of roads from the Interoceanic Highway, through the communities of Tantamaco, Huiquisa and Corani and eventually to the Corani mine site, which will increase security and accessibility for residents, reduce road hazards and traffic accidents and provide a route for the transport of heavy construction equipment to the Corani site.

These projects will benefit the Carabaya Province residents and communities by providing much needed infrastructure improvements and will generate local employment, helping families re-establish income lost to the economic downturn caused by the COVID-19 pandemic. They are additionally necessary for construction and operation of the Corani mine.

- On October 29, 2020, the Company filed a short form base shelf prospectus (the “**2020 Shelf Prospectus**”) with the securities commissions in each of the provinces and territories of Canada, except Quebec. The 2020 Shelf Prospectus allows the Company to offer and issue up to C\$300 million of Common Shares, warrants, subscription receipts, units, debt securities, or any combination of such securities during the 25-month period following the filing of the final 2020 Shelf Prospectus, which securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of an offering, which would be set forth in the applicable prospectus supplement(s).
- On December 7, 2020, the Company announced that Mr. Elsiario Antunez de Mayolo, Chief Operating Officer, had made the decision to retire from the Company effective December 31, 2020 and that Mr. Eric Caba has been promoted to the position of COO effective January 1, 2021. Mr. Caba joined Bear Creek in 2018 as the Vice President, Project Development and was promoted to Senior Vice President, Project Delivery in early 2020. He is a highly regarded mining executive with over 25 years’ experience in the industry and significant expertise in mine development and operations.

Year Ended December 31, 2021

- On January 6, 2021, the Company announced it had entered into an agreement with Stifel GMP (“**Stifel**”) to undertake a bought deal financing of 10,000,000 Common Shares at a price of C\$3.00 per Common Share (the “**January 2021 Offering**”). The January 2021 Offering, in which Stifel acted as lead underwriter with participation by Canaccord Genuity Corp. and BMO (together, the “**January 2021 Financing Underwriters**”), was completed on January 15, 2021 and resulted in gross proceeds to the Company of C\$30 million. The January 2021 Financing Underwriters also exercised their over-allotment option in full to purchase an additional 1,500,000 Common Shares for additional gross proceeds of C\$4.5 million. Including the proceeds from the exercise of the over-allotment option, the total gross proceeds of the January 2021 Offering were C\$34.5 million with an aggregate of 11,500,000 Common Shares being issued.

- On March 29, 2021, the Company announced the untimely passing of Mr. Frank Tweddle, an independent director of the Company since December 2010.
- In September 2021, Bear Creek completed construction of the Antapata electrical substation and began pre-operative studies, regulatory compliance, and permitting required to connect the substation to the national electrical grid. This permitting process, which relies on an audit by the Peruvian electricity regulator, is expected to conclude in late 2022. The substation, once connected to the Peruvian national energy grid, will transform 138 kilovolts (“**kV**”) energy to 22.9kV energy for distribution to the town of Macusani (on the Interoceanic Highway, approximately 40 km east of the Corani Property) and numerous villages in the Corani District by the electrical transmission line currently under construction, as described above. The transmission line will also deliver high tension power to the Corani site and link to high-speed internet service.
- On December 17, 2021, Bear Creek announced it had entered into a definitive agreement (the "**Share Purchase Agreement**") with Equinox Gold to acquire a 100% interest in the Mercedes Mine. The Mercedes Mine acquisition closed on April 21, 2022.

Key terms of the Mercedes acquisition Share Purchase Agreement include payments to Equinox Gold of:

- An initial cash payment of \$75 million and issuance of 24,730,000 Bear Creek common shares upon closing of the acquisition (the "**Closing Date**");
- A deferred cash payment of \$25 million due within six months of the Closing Date;
- A 2% NSR payable on metal production from the Mercedes mining concession.

In connection with the Mercedes acquisition announcement, Bear Creek and Sandstorm Gold Ltd. ("**Sandstorm**") entered into a gold purchase agreement (the "**Gold Purchase Agreement**") and a debt financing agreement (the "**Convertible Debenture**"), each of which are subject to customary closing conditions.

Under the Gold Purchase Agreement, on the Closing Date Sandstorm provided the Company with \$37.5 million and in exchange Bear Creek will sell to Sandstorm 600 ounces of refined gold per month for 42 months (a total of 25,200 ounces) at a price equal to 7.5% of the spot gold price at the time of delivery. Thereafter, the Company will sell to Sandstorm 4.4% of gold produced by Mercedes at a price equal to 25% of the spot price at the time of delivery. Sandstorm will also be granted a right of first refusal on any royalties, streams or similar transactions with respect to production from Mercedes.

On the Closing Date, Sandstorm paid the Company \$22.5 million (the "**Principal Amount**") to subscribe for a 6%, three-year Convertible Debenture. Interest will be paid quarterly on the outstanding Principal Amount. The Principal Amount may be reduced by conversion of debt to common shares of the Company during the term. Otherwise, the Principal Amount is due on the third anniversary of closing. The Principal Amount is convertible, in whole or in part, into common shares of the Company at any time prior to maturity at the greater of a 35% premium to the closing price per common share of the Company on the closing date of the acquisition or as otherwise permitted by the TSX-V.

- At December 31, 2021, the Company recognized an impairment loss of \$0.95 million on The Maria Jose net smelter return royalty. The project owner's exploration efforts have not found economic mineralization and it is uncertain that future exploration will change this.

Recent Developments

- On March 25, 2022 the Company announced it and Equinox Gold had signed an amendment to the Share Purchase Agreement extending the outside closing date of the Acquisition from March 31, 2022 to April 30, 2022. Concurrently, the Company announced had become aware that on March 23, 2022, TRR Offtakes LLC ("**Trident**") – a subsidiary of Trident Royalties Plc (AIM: TRR) which in January 2022 acquired a non-material offtake agreement with subsidiaries of Equinox Gold – brought an application for an order of an arbitrator restraining and enjoining the closing of the Acquisition (the "**Application**"). The Application relates to an offtake agreement between Equinox Gold and Trident (the "**Parties**") that is tied to production from the Mercedes Mine and a dispute between the Parties as to the calculation of a transfer fee and the delivery obligations under the offtake agreement after the transfer fee (payable by Equinox Gold) has been made and ownership of the Mercedes Mine has been transferred to the Company.
- On April 14, 2022 the Company announced that it had received approval of the Mercedes acquisition from Mexican authorities and that Trident had arrived at a settlement with Equinox Gold that removed Mercedes from the Premier Gold Mines offtake agreement.
- On April 21, 2022 the Company closed its acquisition of the Mercedes Mine in accordance with the Share Purchase Agreement, Gold Purchase Agreement and Convertible Debenture described above.
- On April 22, 2022 the Company announced its filing on SEDAR of a Technical Report (as defined in NI 43-101) for the Mercedes Mine. Please see "Mineral Projects – Mercedes Mine" for additional information regarding Mercedes.

DESCRIPTION OF THE BUSINESS

General

The Company is a British Columbia-based mineral resource corporation engaged in the acquisition, exploration, development and operation of mineral properties in Latin America with the objective of identifying mineralized deposits economically worthy of subsequent development and mining or sale to create value for shareholders.

As of the date of this AIF, the Company has two material mineral property assets; the Corani Property and the Mercedes Mine. These assets are described in further detail below under "Mineral Projects – Corani Property" and "Mineral Projects – Mercedes Mine", respectively.

During the year ended December 31, 2021, the Company focused its efforts primarily on the advancement of the Corani Property, which is at the advanced engineering and development stage.

The Company also devoted significant time and effort throughout the last quarter of fiscal 2021 to due diligence evaluation of the Mercedes concessions and mining operation, which, as announced above under "Three Year History and Significant Acquisitions", culminated in the Company signing the Share Purchase Agreement with Equinox Gold in December 2021. The Mercedes acquisition closed on April 21, 2022, on which date the Company became the owner and operator of Mercedes.

Bear Creek has largely curtailed early-stage, prospecting and exploration initiatives over the past several years, however, the Company regularly evaluates potential new precious metal exploration opportunities for possible acquisition.

Specialized Skills and Knowledge

The business of mineral exploration and mining requires specialized skills and knowledge including expertise in geology, exploration methods, project evaluation, permitting, legal and regulatory matters

related to mining, project development, scheduling, procurement, logistics, finance and accounting, public markets, commodities, communications and marketing.

Bear Creek Mining retains senior executives, officers, managers and consultants with knowledge and expertise in each of these subject areas, and its Board includes members who have significant hands-on, Latin America-focused mineral exploration and mining experience.

Competitive Conditions

The business of mineral exploration, development and production is competitive. The Company competes with numerous other companies and individuals in the search for and the acquisition, development and operation of attractive mineral properties. The success of the Company will depend not only on its ability to operate and develop its properties but also on its ability to select and acquire suitable properties or prospects for exploration, development, operation or sale. See "Risk Factors" below.

Foreign Operations

As of the date of this AIF, Bear Creek is headquartered in Canada and its material mineral properties are located in Peru and Mexico. Accordingly, the Company is dependent on foreign operations, which presents certain risks as disclosed under "Risks Factors", below. Information pertinent to mineral exploration and mining operations in Peru and Mexico are provided below under "Operating in Peru" and "Operating in Mexico", respectively.

Operating in Peru

Peru is the fourth largest country in Latin America by area, and with a population of just under 33 million people, the fifth most populated country in Latin America.

Peru is bordered by Ecuador, Colombia, Brazil, Bolivia, Chile, and the Pacific Ocean. Peru is divided into 25 regions, also referred to as "departments", subdivided into "provinces", which are in turn made up of "districts".

Peru is a multi-party democratic republic. The 1993 Peruvian constitution, which has since been amended several times, decrees a government headed by a president who is popularly elected to a five-year term and serves as chief of state and head of government. The president can be reelected but is prohibited from serving consecutive terms. The president appoints and presides over the Council of Ministers (Cabinet) and is assisted by the president of the Council of Ministers (in effect, the prime minister, who is also appointed by the president) as well as by two popularly elected vice presidents. Legislative power is vested in the unicameral Congress of the Republic, whose members are popularly elected to five-year terms. Over the 20th century and to date in the 21st, political debate in Peru has been highly polarized between left-wing and right-wing ideologies, resulting in policies that shift between socialism and capitalism. State intervention in the economy has occurred in the past, including government-mandated controls on prices, exchange rates, local and foreign investment, and trade.

The official monetary unit of Peru is the Sol. It is not subject to any exchange restrictions and has been freely floating since 1991. Peru has entered into free trade agreements, covering approximately 90% of the country's exports, with the United States, Canada, Australia, the European Union, China and numerous other countries.

Peru is considered one of the top ten richest mineral countries in the world. It is one of the world's largest producers of silver, copper and zinc and it is also a major producer of gold, lead and other minerals. Mineral exports have consistently accounted for the most significant portion of Peru's export revenue, exceeding 50% in recent years.

The Peruvian mining tax system was revised during the latter part of 2011. The tax and royalty provisions are largely considered to be on a level playing field as other Latin American governments. A Special Mining Tax ("**SMT**") is applied on operating mining income based on a sliding scale with progressive marginal rates ranging from 2% to 8.40%. This tax is determined and payable on a quarterly basis and is calculated on the operating profit based on the income from the sale of mineral resources.

Additionally, a Mining Royalty ("**MR**") is applied on a company's operating income, rather than sales, and is payable quarterly in an amount determined on a sliding scale with marginal rates ranging from 1% to 12% applied to operating margin. As a company's operating margin increases the marginal rate of the MR increases. If a company has a zero or negative operating margin, a minimum MR of 1% of revenue is payable. The basis of the MR (operating income) and the effective royalty rate is calculated by following the same rules used to determine the tax liability under the SMT.

Operating in Mexico

Mexico is the third largest country in Latin America and with over 127 million people, the second most populated country in Latin America.

Mexico is a multi-party democratic republic bordered to the north by the United States of America and to the south by Guatemala and Belize. Mexico is divided into 31 states and a Federal District. The Mexican constitution of 1917, which has been amended several times, guarantees personal freedoms and civil liberties and also establishes economic and political principles for the country. The legislative branch of the federal government is divided into the Senate and the Chamber of Deputies. Senators serve six-year terms and deputies three-year terms; members of the legislature cannot be reelected for the immediately succeeding term. Three-fifths of the deputies are elected directly by popular vote, while the remainder are selected in proportion to the votes received by political parties in each of five large electoral regions. Popularly elected and limited to one six-year term, the president is empowered to select a cabinet, the attorney general, diplomats, high-ranking military officers, and Supreme Court justices (who serve life terms).

The official monetary unit of Mexico is the Peso. It is not subject to any exchange restrictions and has been freely floating since 1994. Mexico is a signatory to 13 free trade agreements with 48 countries, the most comprehensive and significant of which include the United States-Mexico-Canada Free Trade Agreement (USMCA), The Trans-Pacific Partnership, The Mexico-EU Free Trade Agreement, and the Pacific Alliance, which is an agreement between Chile, Colombia, Peru, and Mexico.

Mexico has a developing but diversified economy, to which mining is a key contributor. Mexico is the largest producer of silver in the world, and is a top 10 global producer of 14 other metals and minerals including gold, which contributes the largest share of Mexico's mining production value. Mineral exports from Mexico totaled US\$ 15.6 billion in 2020.

Mexican mining operations are subject to a 30% Federal corporate income tax rate. Two mining royalty taxes are also payable to the Federal Government of Mexico: a 7.5% mining tax on earnings before interest, taxes, depreciation, and amortization; and a 0.5% gross revenue royalty tax levied on revenue from gold and silver sales.

Corporate Social Responsibility

Bear Creek Mining is committed to excellence in corporate social responsibility ("**CSR**"), and recognizes that the communities and people that live in proximity to its operations are important stakeholders as they may be directly or indirectly impacted by the Company's business plans and operations. The Company's CSR goal is to contribute to the sustainable development, growth and quality of life of local communities, with the utmost respect for their traditions, customs and ancestral relationships. The following guiding principles underpin this commitment:

- Interact and communicate in a respectful, open, honest, and transparent manner;
- Adopt a collaborative partnership approach, allowing communities to determine their own priorities, to share the responsibility for enacting them, and to take pride in the outcomes;
- Focus on health, education, and economic opportunity;
- Prioritize initiatives that will persist irrespective of active mining operations;
- Maintain high ethical standards, in or exceeding compliance with all applicable laws, regulations, and internationally accepted standards

Environmental Protection

Bear Creek places a high priority on responsible environmental stewardship. The Company seeks to minimize or mitigate the potential negative effects of our operations on regional flora, fauna, water quality and air quality and to improve environmental conditions that pre-date the Company's activities if and where possible.

The Company's operations, development activities and exploration programs are subject to national and local environmental laws and regulations in the jurisdictions in which its operations are located, and activities undertaken by the Company generally require approval by appropriate regulatory authorities prior to commencement. Environmental permits granted in respect of the Company's operations require certain environmental standards and parameters that must be met throughout life of the operation, including but not limited to standards related to air quality, water quality, fisheries and wildlife protection, chemical use, waste disposal, noise, geotechnical stability, geochemistry, land use, and closure.

Employees

As at the end of the Company's most recently completed financial year, the Company employed 146 people (78 full-time employees based in Peru, 2 full-time employees based in Canada, and 66 contract employees based in Peru). No management functions of Bear Creek are performed to any substantial degree by a person who is not an executive officer of the Company.

Bear Creek is committed to hiring locally whenever possible. Approximately 3% of the Company's full time employees (including those who work exclusively in the Company's Vancouver or Lima offices) and 91% of its contractors are from Corani-area communities.

Health and Safety

Bear Creek is committed to protecting the health and safety of its employees. The Company educates its operational employees and consultants on how to identify, avert or mitigate workplace hazards in order to prevent incidents and injuries. The Company complies with all relevant local, state and federal laws and has adopted industry standards and practices for workplace health and safety.

During the year ended December 31, 2021, Bear Creek's employees and contractors completed 337,908 work hours during which there were no work-related high-consequence injuries or deaths.

COVID-19 was declared a global pandemic by the World Health Organization on March 11, 2020, which pandemic remains in effect as of the date of this AIF. Policies and processes to limit the spread of COVID-19, in compliance with applicable public health regulations, were enacted at each of the locations at which the Company operates, including its offices in Vancouver, Canada, Lima, Peru and at the Corani Project site. The Company continues to enforce these policies and procedures in accordance with local public health regulations and guidelines at each of its sites. The Company also continues to support preventive measures and vaccination campaigns conducted by local authorities. See "Risk Factors", below, for additional information related to COVID-19.

Components

The supplies and services Bear Creek utilizes to carry out its exploration, development and operations activities are generally available, and procured, through normal supply or contracting channels in Canada, Peru and Mexico. These supplies and services may be impacted by increased demand, inflationary pressures or supply chain disruptions due to global events, making them difficult to procure, which can have a negative effect on the Company's activities and timelines.

Cycles

The mining business, and particularly precious metals production, is subject to metal price cycles and fluctuations, which may affect the marketability of, and revenue from, the sale of metals and metal concentrates. There are no mining activities currently underway at Bear Creek's Corani Project and the Company assumed ownership and operation of the Mercedes Mine on April 21, 2022. Accordingly, metal price cycles and fluctuations had no material effect on the Company's operations during the year ended December 31, 2021.

Risk Factors

The business of mineral exploration, development and mining is subject to numerous risks and uncertainties. Bear Creek has identified the following risks that may impact the Company specifically. If any of these risks materialize, the Company's business, results of operations, financial condition and cash flows and the market price of its securities could be materially and adversely affected. Additional risks and uncertainties not known to the Company or that the Company assesses to be immaterial may also impair the Company's business operations.

Investors, and those considering an investment, in the Company should be aware that investing in its securities involves a high degree of risk. The risk factors outlined in this section and elsewhere in this AIF should be carefully considered when evaluating an investment in the Company.

The Company has a history of net losses

The Company has a history of net losses and received no revenue from the activities on its material mineral properties during the most recently completed financial year. During the years ended December 31, 2021, 2020 and 2019 the Company incurred losses of \$21.9, \$12.5 and \$17.7 million, respectively. As of December 31, 2021, the Company has an accumulated deficit of \$254.8 million and working capital of approximately \$22.5 million.

The Company may incur further losses in the development of its business. There is no certainty that the Company will operate profitably or provide a return on investment in the future.

The Company has negative cash flow from operating activities

As at December 31, 2021 the Company had no producing mines and no source of operating cash flow other than through equity, joint ventures and/or debt financing.

Bear Creek became the owner and operator of the Mercedes Mine on April 21, 2022. The Company expects the Mercedes Mine to generate cash flow under its ownership during the current fiscal year, however, the level of cash flow and free cash flow (after all operational expenses, royalties, taxes, and streams) generated by the Mercedes Mine during the current and future fiscal years is subject to numerous factors, many of which may be outside of the Company's control. The Corani Property is not expected to generate cash flow for the foreseeable future.

The Company's business plans require additional funding, the availability of which is uncertain

The Corani Property will require significant additional capital to construct, which will likely require the involvement of multiple capital sources and participants. The Company has conducted investigations as

to potential Corani construction financing sources and the level of financing each funding component may reasonably be expected to contribute. However, the actual availability of Corani construction financing, the involvement of any or all of the potential participant groups and their level of participation, and the details and terms of any eventual construction financing arrangements for the Corani Property will be dependent on numerous conditions, including but not limited to general market conditions, metal prices, political and economic conditions and other risk considerations at the time. While the Company anticipates that financing for development and construction of the Corani Property can be arranged, such financing is highly dependent on factors outside of the Company's control and there can be no assurance that the Company will be successful in arranging Corani construction financing at all, or if so, under acceptable terms and conditions.

In accordance with the terms of the Share Purchase Agreement to acquire the Mercedes Mine, the Company is responsible for a deferred payment to Equinox Gold of \$25 million that is due on October 21, 2022. As of the date of this AIF, the Company has insufficient working capital to meet this obligation and may be required to raise funds through the issuance of equity or by other means. There can be no assurances that such funding will be available, and if so, under acceptable terms and conditions. The Company may be subject to legal action if the terms of the Share Purchase Agreement are not fulfilled in their entirety.

Raising additional funds through equity or debt instruments may be dilutive to existing shareholders.

There are risks associated with the exploration and development of mineral project and production from mines

The business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the exploration programs on the Company's current or future mineral properties will result in the discovery of new resources or lead to the development of a commercially viable ore body.

Development of any of the Company's properties are subject to numerous risks including, but not limited to: an inability to, or delay in, obtaining experienced personnel, equipment, material and services essential to developing the projects in a timely manner; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. Furthermore, the economic feasibility of developing a mineral project is based on many factors such as estimation of mineral reserves, tonnage and grade, anticipated metallurgical recoveries, environmental considerations and permitting, future metal prices and anticipated capital and operating costs. It is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production.

Estimates of mineral resources, proven and probable mineral reserves, capital and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques. The results of feasibility studies that derive estimates of capital and operating costs based upon the quantity, grade and configuration of mineral reserves as well as the expected recovery rates of metals from the mineralized material, are subject to change. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to development or operation. The remoteness and restrictions on access of certain of the properties in which the Company has an interest could have an adverse effect on profitability in that infrastructure costs would be higher. There are also physical risks to the exploration personnel working in remote or rugged terrain or in poor climate conditions.

With all mineral operations there is uncertainty and, therefore, risk associated with operating parameters and costs. Actual costs associated with ore production may vary from expectations if factors used to estimate costs change. These factors may include, but are not limited to: exchange rates; metal prices;

smelting and refining charges; royalties; the availability and cost of labour, equipment and supplies; geotechnical and mechanical conditions; environmental damage; permitting delays; and transportation disruptions or insufficiency. In addition, extraction hazards or environmental damage could greatly increase the cost of operations, and various operating conditions may adversely affect the production from mineral properties. Production delays from normal or abnormal operating conditions may not be eliminated and might adversely affect revenue and cash flow levels to varying degrees.

There are risks associated with the construction and operation of mines

The construction of mining operations is subject to a number of risks, including, but not limited to: the availability and delivery of critical equipment; the hiring of key personnel for construction, commissioning and operations; delays associated with contractors; budget overruns due to changes in the cost of fuel, power, materials, supplies and currency fluctuations; and potential opposition from non-governmental organizations or affected communities. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up, often due to circumstances beyond the owner's control. In addition, delays in the commencement of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its development projects.

Mining operations are subject to hazards that could have an adverse effect on the business, results of operations and financial position of the Company. Such risks include but are not limited to: environmental hazards; tailings risks; industrial accidents; labour disputes; changes in laws; disruptions in the delivery of supplies or equipment; unusual or unexpected geological conditions; underground or open pit stability failures; rock falls; unanticipated ground, grade or water conditions; unexpected climate events such as extremely high or low rainfall levels; actual ore mined varying from estimates of grade or tonnage; metallurgical or other characteristics; interruptions in or shortages of electrical power; periodic or extended interruptions due to the unavailability of materials; and, force majeure events. These factors could result in reduced production, damage to or destruction of mineral properties or producing facilities, damage to or loss of life or property, environmental damage, delays in mining or processing, losses, and possible legal liability.

Underlying property commitments can affect the Company's results of operations and financial condition

There are underlying royalties, streams and other commitments associated with the Company's material properties.

Metal price volatility may affect the Company's results of operations and the economic viability and potential profitability of mineral exploration or development properties

Factors beyond the control of the Company may affect the marketability of any ore or minerals discovered at, and extracted from, the Company's properties. Metal prices are subject to fluctuations and are affected by numerous factors beyond the Company's control including international economic and political trends, financial institution and central bank sales, inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new and improved extraction and production methods. Fluctuations and short-term and long-term trends in metal prices can adversely affect both the economic viability and potential profitability of the Company's mineral properties.

There are risks associated with failing to acquire or maintain "social licence" on the Company's mineral properties

"Social licence" does not refer to a specific permit or licence but rather is a term used to describe community acceptance of the plans and activities related to exploration, development, or operation of a mineral project. Acquiring and then maintaining social licence for mineral exploration activities or mine

development and operation is commonly accepted to be a necessary component of corporate social responsibility. Without social licence it can be extremely difficult if not impossible to advance a mineral project, secure necessary permits or arrange project financing. The Company places a high priority on, and dedicates considerable efforts toward, its community relationships and responsibilities by respecting the traditions, customs and environment of local inhabitants, by adopting a partnership approach to sustainable community support initiatives, by providing open, honest and transparent information about its activities and plans, by creating labour opportunities where feasible, and by partnering with communities to sustainably address health, education and economic opportunity.

Despite its best efforts, there are factors outside of the Company's control that may affect its ability to establish or maintain social licence at any of its projects. Such factors may include national or local changes in sentiment toward mining, evolving social concerns, changing economic conditions and challenges, and the influence of third-party opposition toward mining. There can be no guarantee that social licence can be earned by the Company or if established, that social licence can be maintained in the long term, and without strong community support the ability to secure necessary permits, obtain project financing, and/or move a project into development or operation may be compromised or precluded. The existence or occurrence of one or more of the following circumstances or events could have a material adverse effect on the Company's ability to maintain social licence, which could have a material adverse effect on the Company's business prospects, results of operations and financial condition: disagreements with parties to social licence agreements; inability of the Company to meet its obligations to parties under such agreements; disputes or litigation between the Company and such parties; anti-mining activities by non-governmental organizations; or the election or appointment of anti-mining government authorities.

Additionally, the Company's properties may be located in areas presently or previously inhabited or used by indigenous peoples and may be affected by evolving regulations regarding the rights of indigenous peoples. The Company's current or future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations in which the Company holds an interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner's/operator's activities and may require the modification of, or preclude operation or development of projects, or may require the entering into of additional or modified community agreements with indigenous people.

Bear Creek Mining believes it has established strong social licence amongst the communities in the vicinity of the Corani Project, which belief is based on direct feedback received from community members and leaders, recent public statements of support for the Corani Project by community leaders, the universal approval of the Corani Project indicated in the state-run *Consulta Previa* consultations, and other indications. Furthermore, the Company is not aware of any community disagreements, negative sentiment or disruptive actions taken in respect of the Mercedes operation under past owners. There can be no assurance, however, that the Company's efforts to build and maintain social acceptance of its operations will continue to be successful or that isolated anti-mining actions that affect the Company's operations will not occur in the future, which could have a significant impact on the Company's plans and operations.

The COVID-19 pandemic could materially affect the Company's business, operations and financial condition

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics, pandemics or other health crises, including COVID-19, which was declared a global pandemic by the World Health Organization on March 12, 2020, and the recent evolution of COVID-19 variants of concern.

COVID-19 has had, and is expected to continue to have, a negative impact on global financial conditions. Restrictions intended to limit the transmission of COVID-19, of varying magnitude and impact, have been implemented in many countries throughout the course of the pandemic, including Canada, Peru and Mexico and ongoing restrictions or regulations regarding the flow of labour, services and products could continue to impact the Company's plans and activities. Furthermore, economic inflation, the limited availability of labour, and disruptions to supply and distribution channels may affect the Company's operations.

The risks to the Company's business associated with COVID-19 may include, without limitation, risks related to breach of material contracts, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, prolonged restrictive measures put in place in order to control the pandemic and future outbreaks or other adverse public health developments globally and other factors that will depend on developments beyond the Company's control, which may have a material and adverse effect on the Company's business, financial condition and results of operations.

The Company continues to closely monitor the changing conditions of the COVID-19 crisis and follows the advice and guidelines of provincial and federal health professionals and government officials in Canada, Peru and Mexico, as well as industry-wide best practices.

Public health crises, including but not limited to COVID-19, can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

Environmental hazards present risks to the Company's operations

Exploration, development and operation of mineral projects and mining operations involve numerous potential environmental risks including risks to flora and fauna, air quality, water quality and water quantity. Any compromise of the physical or chemical stability of infrastructure could result in environmental damage. Waste rock, which may contain hazardous minerals, is produced by mining activity and metal extraction processes typically produce tailings. Waste rock and tailings must be disposed of (occasionally together) and are typically stored in engineered facilities that are designed, constructed, operated and closed in compliance with federal and state requirements and standard industry practices. Hazards such as uncontrolled seepage or geotechnical failure of retaining dams around tailings disposal areas, however, may result in environmental pollution and consequent liability.

Additionally, the collection, treatment and disposal of fresh and recycled water at mining operations are subject to strict regulation and involve potential environmental risks. Should collection or management systems fail, overflow or not operate properly, untreated water or other contaminants could be discharged into the environment and cause ecological damage, damage to aquatic life, damage to persons or property, and economic damages.

Environmental hazards or adverse environmental conditions, unknown at present, may exist on the Company's mineral projects and Bear Creek Mining may become liable for such environmental hazards including if caused by previous owners or operators of the properties.

The Company may be subject to fines, penalties and enforcement actions if it fails to comply with applicable environmental laws, regulations and permitting requirements, causing operations to cease or

be curtailed. Corrective measures necessitating capital expenditures, installation of additional equipment, remedial actions and/or compensation to parties suffering loss or damage may be required.

Climate Change may adversely affect the Company's operations

There is significant evidence of the effects of climate change on our planet and an intensifying focus on addressing these issues. While the Company is committed to operating responsibly and to mitigating any negative effects to the environment that may result from its current activities and any future operations, the ability to reduce greenhouse gas emissions, energy usage and water usage is limited by available technologies, logistics and economics. The Company's ability to respond to societal, governmental and investor concerns about climate change and expanding climate change regulations may have significant impacts on our activities, future operations, financial condition and corporate reputation.

The potential impacts of climate change may also adversely impact Bear Creek's activities and operations. Climate-related events such as extreme weather events, mudslides, floods, and droughts could result, now and in the future, in damage to the Company's facilities, damage to existing or future access routes to and from the Company's properties and operations, disruptions in the movement of people and materials, risks to the safety and security of our personnel and to communities, shortages of required supplies such as fuel and chemicals, and the curtailment of activities. There is no assurance that the Company will be able to anticipate, respond to, or manage the risks associated with physical climate change events and impacts, and this may result in material adverse consequences to its business plans, social licence and financial results.

There is uncertainty related to estimates of Mineral Resources and Mineral Reserves

There is a degree of uncertainty attributable to the calculation of Mineral Resources and Mineral Reserves, which must be considered only estimates of mineralization until an ore body is actually mined and processed. The Mineral Resources and Mineral Reserves are estimates only and no assurance can be given that the tonnages and grades anticipated by these estimates will be realized or that the indicated level of recovery will be obtained. Any material change in the quantity of Mineral Reserves, Mineral Resources, grades and recoveries may affect the economic viability of the Company's properties.

Market fluctuations and the prices of metals may render Mineral Reserves uneconomic. Moreover, short-term operating factors relating to the mineral deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause any mining operation to be unprofitable in any particular financial period.

Projects may not advance or achieve production if key permits are not obtained or retained

The advancement of mineral properties through exploration to commercial operation normally requires securing and maintaining key permits or licenses (collectively, "**permits**") from regulatory or governmental authorities. The Company has received the key permits required to undertake development and construction of the Corani Mine, including the ESIA, CIRA, Accreditation of Water Availability, and both Mine and Process Plant Construction Permits. All permits required for operation of the Mercedes Mine were in place at the time of the Company's acquisition of Mercedes.

As with all mining operations, additional ongoing permits will be required during the course of construction. While the Company makes commercially reasonable efforts to secure the permits necessary to advance its properties according to the policies and guidelines applicable to each permit, approval of permits rests solely with the governing agency and is outside of the Company's control. There can be no guarantee that the Company will succeed in obtaining all of the permits necessary to advance its projects, and a failure to obtain necessary permits or retain permits that have been granted may result in an inability to realize any benefit from exploration or development activities on its properties.

Permits received may expire

Permits granted by the jurisdictions in which the Company operates are typically issued with an expiry date requiring the Company to undertake certain activities within a given time frame in order for the permit to remain valid. While the Company intends to satisfy the terms and conditions of the permits it has been granted, circumstances, including but not limited to a lack of adequate financing necessary to advance the Company's projects, may prevent it from doing so and permits received may expire or be cancelled for non-compliance by the granting authority.

There are risks associated with operations in foreign jurisdictions

Bear Creek Mining's mineral projects are located, and business activities primarily occur, outside of Canada. Accordingly, the Company's current and future mineral exploration, development and mining activities could be affected by adverse political, social or economic factors normally associated with the conduct of business in foreign jurisdictions including, but not limited to: expropriation or nationalization of assets or the creeping expropriation of the economic value of assets; cancellation or forced renegotiation of permits, contracts, licences or title with or without adequate compensation; changing political regimes; economic instability; civil unrest and rebellion; the imposition of unfavourable government regulations on foreign investment, production and extraction, prices, exports, income taxes, currency convertibility, environmental compliance, or changes to worker safety legislation; regulations and restrictions with respect to imports and exports; high rates of inflation; extreme fluctuations in currency exchange rates and restrictions on foreign exchange, currencies and repatriation; inability to obtain fair dispute resolution or judicial determinations; abuses of power by governments or officials without regard to the rule of law; difficulties enforcing judgments ruled within the foreign jurisdiction or in another country; and violence or criminal activity, including organized crime, theft and illegal mining.

The Company's Corani Project, its sole material mineral project as at December 31, 2021 as well as its regional office, is located in the Republic of Peru. Regardless of Peru's progress in recent decades in restructuring its political institutions and revitalizing its economy, it has a history of political and economic instability under both democratically elected and dictatorial governments. The Company believes that political and social conditions in Peru are stable long-term and conducive to conducting business at present. However, there can be no assurance that social, political or economic conditions in Peru, Mexico or any foreign jurisdiction where the Company may operate will not temporarily or permanently impede the Company's activities or operations.

Criminal activity in Mexico, including violence between drug cartels and authorities and incidents of violent crime, theft, kidnapping for ransom and extortion by organized crime, is known to occur and has been directed at mining and other industrial operations. While the Company intends to continue measures implemented by Mercedes' previous owners that are designed to protect employees, contractors, property and production facilities from these security risks there can be no assurance that security incidents will not have an adverse effect on the Company's operations.

Changes to or breaches of government regulations may adversely affect development of a mineral property

The Company's operations are subject to extensive laws and regulations governing such matters as environmental protection, health and safety, exploration and development of mines, production and post-closure reclamation, labour, taxation, maintenance of claims, government royalties, management and use of toxic substances and explosives, climate change, and expropriation of property. The costs associated with compliance with these laws and regulations are considerable and the introduction of new laws and regulations or stricter enforcement of or changes to existing laws and regulations could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties and a heightened degree of responsibility for companies and

their officers, directors and employees. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well-trained individuals and consultants and strives to comply with all laws and regulations that govern its business operations; however, even with the application of considerable skill and due diligence there can be no assurance the Company or its consultants may not inadvertently contravene certain regulations. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

The price of the Company's Common Shares may be affected by factors unrelated to its operations

The Company's Common Shares are listed on the TSX-V, the BVL and the Börse Frankfurt, and are posted for trading on the OTCQX. The price of the Company's Common Shares is likely to be significantly affected by short-term changes in silver and gold prices or in its financial condition or results of operations as reflected in its quarterly financial statements. Other factors unrelated to the Company's performance that may have an effect on the price of the Company's shares may include the following: the decision by any of the Company's large institutional shareholders to divest its shareholding of the Company; a reduction in analytical coverage by investment banks with research capabilities; a drop in trading volume and general market interest in the Company's securities, which may adversely affect an investor's ability to liquidate an investment and consequently an investor's interest in acquiring a significant stake in the Company; a failure of the Company to meet or maintain the minimum listing or posting standards, reporting and other obligations under relevant securities laws or imposed by the regulators that govern the Company's securities and the exchanges or trading platforms on which the Company's shares trade, which could result in a delisting of the Company's Common Shares or removal from trading platforms and reduce their liquidity; and any low or negative third-party ratings or rankings of the Company's securities or disclosure practices, including but not limited to ratings of the Company's environmental, social and governance practices, which could negatively affect the liquidity and price of the Company's securities.

As a result of any of these factors, the market price of its Common Shares at any given point in time may not accurately reflect the long-term value of the Company's assets. Securities class action litigation can be brought against companies following periods of volatility in the market price of their securities, which could result in substantial costs and damages and divert management's attention and resources.

There are risks associated with debt facilities

As of the date of this AIF, the Company has incurred debt in the form of a convertible debenture held by Sandstorm in the amount of \$22.5 million (see "Three Year History and Significant Acquisitions", above), which will require the Company to dedicate a portion of its cash flow from operations to debt repayments, thereby reducing the availability of the Company's cash flow to fund working capital, capital expenditures, acquisitions, other general corporate purposes. If the Company is unable to generate sufficient cash flows to satisfy its convertible debenture obligations, or to refinance its indebtedness on commercially reasonable terms, or at all, its financial position and results of operations could be materially impacted and/or the Company could be subject to significant dilution of its share capital.

Global economic conditions may affect the Company's ability to advance its properties

Many industries, including mining, are affected by global market conditions and negative trends in global economic conditions, including but not limited to interest rates, consumer spending, employment rates, business conditions, inflation, energy costs, debt levels and credit availability, may adversely affect the Company's ability to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company, which could affect the Company's ability to advance its mineral projects and affect the trading price of the Company's Common Shares in an adverse manner.

Currency and exchange rate fluctuations could affect the Company's financial condition

Bear Creek Mining is headquartered in Canada. As the primary listing for the Company's Common Shares is the TSX-V Exchange, any equity fund raisings undertaken by the Company are priced in Canadian dollars. The Company's functional currency, however, is the United States dollar, and its expenses are denominated in US dollars, Canadian dollars, Peruvian Soles, and Mexican Pesos. Operations in Peru, Mexico and Canada are subject to foreign currency exchange fluctuations and the Company may suffer material losses due to adverse foreign currency fluctuations. The Company avoids significant exposure to currency fluctuations by holding the majority of its treasury in US dollars, which it exchanges into other currencies on an as needed basis. As of March 31, 2022, approximately 98.3% of the Company's consolidated cash balance was held in US dollars, 0.4% in Canadian Dollars and 1.29% was held in Soles. 97.3% of the Company's consolidated US Dollar equivalent cash balance was held in Canada, with the balance held in Peru.

Title to the Company's assets may be challenged and interest in assets may be reliant on third parties

Although title to its properties has been reviewed by or on behalf of the Company, no guarantees can be given that there are no title defects affecting the Company's properties. Title insurance generally is not available for mining claims on commercially reasonable terms, and the Company's ability to ensure that it has obtained a secure claim to individual mineral properties may be constrained. Accordingly, the Company's mineral claims may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct work on the properties as permitted or to enforce its rights with respect to its properties.

The Company may acquire rights to acquire an interest in certain resource properties that may have been granted by third parties who themselves hold only a lease, an option, or a pending application for rights to acquire such properties. If such persons fail to fulfill their obligations, the Company could lose its interest in the property and may have no meaningful recourse, as it may not have any direct contractual arrangements with the underlying property holders. Where the Company's interests in resource properties are managed or operated by third parties, the Company's interests may be adversely affected in the event such third parties mismanage the operations being carried out on such properties.

There are risks associated with joint venture arrangements

The Company's interests in earlier-stage exploration properties may, in certain circumstances, pursuant to option agreements, become subject to the risks normally associated with the conduct of joint ventures. In the event that any of the Company's properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial condition: disagreements with joint venture partners on how to conduct exploration or development activities; inability of joint venture partners to meet their obligations to the joint venture or third parties; and, disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

There are risks associated with counterparties

Bear Creek Mining has contracts and agreements in place with various counterparties including financial institutions that hold the Company's cash and short-term investments, companies that provide contractual services at, or related to, its operations, and insurance providers. Although the Company makes efforts to limit the risk that these counterparties will default on their contractual obligations, the Company must rely to an extent on the performance of these third-party service providers.

There are risks related to a failure to comply with statutory and regulatory requirements

The current and future operations of the Company, from exploration through development activities and commercial production, are and will be governed by applicable laws and regulations governing mineral claims acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, managing toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company has received all necessary permits for the work activities being conducted on its projects. There can be no assurance that all permits that the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company's environmental liability insurance is limited and may not provide adequate coverage for possible environmental claims.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration.

It may not be possible to effect service of process on some of the Company's Directors

As certain of the Company's directors live outside of Canada, it may not be possible to effect service of process on them. Furthermore, since all or a substantial portion of the assets of non-Canadian directors are located outside Canada, it may be difficult to enforce judgments against them obtained in Canadian courts. Similarly, essentially all of the Company's assets are located outside Canada and there may be difficulties in enforcing judgments obtained in Canadian courts.

The Company's success is tied to management's efforts and abilities

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management team and other key personnel. Investors must be willing to rely to a significant extent on the discretion and judgment of the Company's management team. The Company does not maintain key employee insurance on any of its employees. Furthermore, while the Company depends heavily on its management team and other key personnel and strives to retain its employees at all levels, there can be no assurance that members of the management team or other key personnel will be retained over the long-term. The departure of management or key personnel could have an adverse effect on the Company's business and financial condition.

There may be conflicts of interest

The Company's Directors and officers may serve as directors or officers of other resource companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures or compete for mineral properties in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the

Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the BCBCA. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, involvement in a greater number of programs and a potential reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia, the Directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the Directors will primarily consider the degree of risk to which the Company may be exposed relative to the potential rewards that may be received and its financial position at that time. See "Directors and Officers".

There may be competition for assets and employees

Significant and increasing competition exists for mineral deposits where the Company conducts operations. As a result of this competition, much of which is with large, established mining companies with substantially greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mining claims on terms it considers acceptable. The Company also competes with other mining companies in the recruitment and retention of qualified employees.

Labour relations issues could affect the Company's operations and financial condition

Some employees at the Company's Mercedes Mine are unionized and their employment is currently governed by an agreement negotiated between the union and Mercedes' prior owner. Notwithstanding this agreement, there is risk of labour strikes or work stoppages by unionized employees. Additionally, relations with unionized and non-unionized employees and contractors may be affected by changes in labour relations laws, regulations and trends in the jurisdictions in which the Company operates, which could result in labour disruption or work stoppages. Labour disruptions affecting the Company's operations could negatively impact production levels, earnings, cash flow and the Company's financial condition.

Seismic activity may impact the Company's projects

The Company's mineral projects are located near geologically active tectonic plate boundaries capable of generating earthquakes and tsunamis which are sometimes sufficient to produce significant damage to property and infrastructure. Normally, larger magnitude earthquakes that may impact the Company's mineral project are focused along the coast of North and South America, far from mining centers, but the potential exists for a seismic event to cause physical damage the Company's properties or office locations, significantly impact access to its projects, or damage critical infrastructure facilities such as harbors, power generating or transmission facilities or airports.

Insurance may not be available to cover the gamut of risks associated with mineral exploration, development and mining

The mining industry is subject to significant risks that could result in damage to or destruction of property and facilities, personal injury or death, environmental damage and pollution, delays in production, expropriation of assets and loss of title to mining claims. No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company maintains insurance within ranges of coverage that it believes to be consistent with industry practice for companies of a similar stage of development. The Company carries liability insurance with respect to its mineral exploration operations which includes a form of environmental liability insurance. Since insurance against environmental risks (including liability for

pollution) or other hazards resulting from exploration and development activities is prohibitively expensive, the Company's insurance coverage is limited. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The regulatory and compliance costs of being a public company generally increase over time

Legal, accounting, listing fees and other expenses associated with public company reporting requirements generally increase over time as a result of increasing requirements and inflation in the cost of services. In addition to the costs associated with maintaining listings of its Common Shares on the TSX-V and the BVL and complying with the conditions of trading on the OTCQX (the Company incurs no expenses in respect of its listing on the Börse Frankfurt), the Company anticipates that costs related to disclosure obligations and compliance with evolving securities legislation in Canada, Peru, the United States and internationally may continue to increase.

Compliance with Canadian corporate governance related regulations including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees ("NI 52-110")* and National Instrument 58-201 – *Disclosure of Corporate Governance Practices*, may make director and officer liability insurance increasingly expensive and the Company may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

The Company does not have a shareholder rights plan and may not be protected against "creeping bids" or a potential acquirer from entering into lock-up agreements with existing shareholders

In the absence of a shareholder rights plan, the Company may not have adequate protection against "creeping bids" (the accumulation of more than 20% of the Common Shares through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada that may not be formally subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders. In addition, the Company may not be in a position to prevent a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid.

MINERAL PROJECTS

The following is a description of the Company's current mineral properties and the nature of the Company's interests in such properties.

As at the end of Bear Creek's last financial year (December 31, 2021) the Corani Property was the Company's only material mineral property. On April 21, 2022 the Company completed its acquisition of the Mercedes Mine, which is a material property. Accordingly, disclosure related to both the Corani Property and the Mercedes Mine is provided below.

Corani Property

Introduction

The 100% owned Corani silver-lead-zinc property is located in the Andes Mountains of Peru, approximately 160 kilometers southeast of Cusco in a sparsely populated altiplano environment. The

project consists of thirteen mineral concessions that form a contiguous block of ground covering approximately 6,500 hectares.

See “Three Year History and Significant Acquisitions” above for information regarding recent activities at the Corani Property. Additional information regarding the Company's history at the Corani Property from its initial acquisition in 2007 through to December 31, 2018 is available in the Company's AIF for the year ended December 31, 2018.

The Corani Property has been explored by the Company continuously since 2005, and a total of US \$134.6 million has been spent as of December 31, 2021 advancing the project through the completion of over 560 drill holes totaling approximately 102,000 meters, a preliminary economic assessment in 2008, a Pre-feasibility study in 2009, and Feasibility studies in 2011, 2015, 2017 and most recently, the 2019 Corani Report. Disclosure related to the drilling, and copies of the Technical Reports in respect of the preliminary economic assessment, Pre-feasibility and Feasibility studies are available on the Company's profile on SEDAR.

The Company has received the key approvals and permits required to undertake development and construction of the proposed Corani mine, including:

- the ESIA (Environmental and Social Impact Assessment), approved in 2013 with modifications approved in 2016 and 2017;
- a CIRA (*Certificado de Inexistencia de Restos Arqueológicos*) received in 2018, indicating the inexistence of archeological remains on the Corani site;
- the Accreditation of Water Availability received in 2018, confirming that the water resources required for construction and operation of the Corani mine are available for use;
- the Mine Construction permit received in 2018, which authorizes the stripping and extraction of ore according to the Corani mine plan and the construction of auxiliary and complementary mine facilities such as access roads, the mine camp and maintenance and storage buildings;
- the Process Plant Construction permit received in 2018, which authorizes construction of the Corani process plant, waste and tailings co-disposal facilities, water storage system and auxiliary buildings including a laboratory, internal energy system and other complementary structures.

Together, these permits and approvals allow for the development of the Corani Property and construction of the proposed Corani mine.

In connection with the ESIA, Bear Creek entered into a Life of Mine agreement with the District of Carabaya, five communities near the Corani Property and ancillary organizations addresses the Company's commitments to invest in community projects over a period of 23 years (representing the anticipated pre-production and production mine life of the Corani operation).

The technical and scientific information provided below in respect of the Corani Property, specifically under the heading “Summary Section of the 2019 Corani Report”, is directly excerpted from the 2019 Corani Report. Additional details including assumptions, qualifications and procedures contained in the 2019 Corani Report are hereby incorporated by reference. Within the excerpted information below, the “Corani Project” or the “Project” refers to the Corani Property, “Technical Report” or “Report” refers to the 2019 Corani Report unless otherwise specified, “2017 Corani Report” refers to the Technical Report entitled “NI 43-101 Technical Report, Corani Project Detailed Engineering Phase 1 (FEED)” dated and filed on SEDAR on October 27, 2017, and “BCM” refers to the Company inclusive of its subsidiaries. Any references cited within this excerpted information are provided in the 2019 Corani Report. All other defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2019 Corani Report.

Greg Lane, FAusIMM, Chief Technical Officer of Ausenco Services Pty Ltd, the QP responsible for the Summary section of the 2019 Corani Report, has read and consented to the use, public disclosure and filing of the scientific and technical information excerpted therefrom below, under the heading "Summary Section of the 2019 Corani Report".

The remaining information provided below in respect of the Corani Property (for greater clarity, under the headings "Introduction", "Environmental and Social Considerations" and "Current Status"), while not disclosing scientific or technical information or results, is based on work programs and initiatives conducted under the supervision of Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company who is a QP.

Summary Section of the 2019 Corani Report

"Summary

Introduction

Bear Creek Mining (BCM), whose shares are listed for trading on the Toronto Stock Exchange (TSX-V:BCM), Lima Stock Exchange (BVL:BCM), and posted for trading on the OTCQX market (OTCQX:BCEKF) contracted Ausenco to prepare this Technical Report in accordance with the Canadian National Instrument 43-101 (NI 43-101) for the Corani Project located in Puno, Peru. This Technical Report summarises the outcomes of work completed on the project to assess the technical and economic viability of a project with a throughput of 9.85 Mt/y and project execution and operational approaches.

This report follows a previous NI 43-101 Technical Report submitted on 13 September 2017 that was based on a throughput of 7.875 Mt/y.

All dollar (\$) amounts in this report are US dollars.

Physical changes to the project include:

- re-routing the mine access road simplifying access to the Corani site and allowing for a redesign of the internal haul roads
- re-designing mine haul roads to reduce ore and waste haulage distance by an average of 2 km
- de-bottlenecking the process plant and increasing the filter capacity to obtain a 20% increase in daily ore production from 22,500 t/d to 27,000 t/d
- updating the water balance to match higher ore throughput
- changing the location of the concentrator reducing cut and fill earthworks
- re-designing the concentrator to reduce its footprint by 30% resulting in lower earthwork, concrete and steel costs
- preparing a new block model and mine plan for ore and waste. There was no material change to the Corani Mineral Reserves and Mineral Resources as outlined in the 2017 Technical Report.

The principal work and studies undertaken to reduce risk included:

- additional metallurgical testing
- an update of the geometallurgical model
- comminution test work to confirm mill capacities
- thickening, filtering and rheology tests to confirm handling characteristics of the tailings

- materials handling testing on crushed ore and filtered tailings for stockpile and conveyor designs
- studies of tailings stability and disposition characteristics
- nine additional geotechnical drill holes, 28 test pits, 31 Lightweight Dynamic Penetration Tests and 6 structural station evaluations were performed. These tests were in addition to 70 drill holes, 221 test pits and 68 previous tests to confirm facilities locations
- a quarry study to confirm the location, volume and quality of aggregate suitable for concrete
- developing Owner’s Costs from first principles and benchmarking them against other recent projects resulting in an increase to \$65.3 million from \$32.3 million
- a legal review of the Peruvian tax regime
- an updated concentrate marketing and transportation study
- development of alternative execution approaches and associated capital costs
- refinement of the operating plans and associated operating costs
- an update of the project schedule.

In addition, work has commenced on site infrastructure including:

- detail design of main access to the project
- substantially completed an electrical substation. The connection to the high-tension electrical grid is planned for January 2020
- start of construction of the camp platform (earthworks).

Key Findings

The work completed has reduced construction, development and operating risks and identified potential improvements to the expected economic performance. The outcomes (Table 1-1) include a \$127 million (31%) increase in after-tax Net Present Value (NPV₅), a 52% increase in after-tax Internal Rate of Return (IRR) from 15.1% to 22.9%, a 1.2 year (33%) reduction in the payback period, lower All-In-Sustaining-Costs (AISC) and significantly reduced construction, development and operating risks.

Table 1-1: Financial summary

Parameter	Value
After tax NPV ₅	\$531 million
After tax IRR	22.9 %
Initial capital	\$579.3 million
Capital payback	2.4 years
Ore processed per day	27,000 tonnes
AISC per oz silver (Life of Mine (“LOM”))	\$4.55
Average annual silver production (LOM)	9.6 million oz

The Proven and Probable Mineral Reserves (Table 1-2) are substantially unchanged from the 2017 Corani Report.

Table 1-2: Corani Project mineral reserves

Classification	Tonnes kt (dry)	Grade			NSR \$/t	Contained Metal		
		Silver g/t	Lead %	Zinc %		Silver Moz	Lead Mlb	Zinc Mlb
Proven	20,330	59.7	1.00	0.60	34.02	39.0	450.0	268.5
Probable	118,253	49.9	0.88	0.55	29.48	189.6	2,290	1,426
Total Proven + Probable	138,582	51.3	0.90	0.55	30.15	228.6	2,740	1,694

Property and Location

The Project site is in the Andes Mountains of south-eastern Peru at elevations of 4,800 to 5,200 meters above sea level (masl), specifically within the Cordillera Vilcanota of the Eastern Cordillera. The site is in the Region of Puno, immediately northeast of the continental divide that separates Pacific drainages from Atlantic drainages. The site location is approximately 160 kilometers in a direct line to the southeast of the major city of Cusco, with Universal Transverse Mercator (UTM) coordinate ranges of 312,000E to 322,000E and 8,443,000N to 8,451,000N. The nearest town of significant size and infrastructure is Macusani, which is located around 30 km to the east of the Project.

The Corani Project consists of a series of thirteen (13) mineral claims or concessions. The 12 original concessions are grouped in the UEA (Administrative Economic Unit) with the 13th (recently acquired) to be integrated into the UEA in 2020. Mineral concessions in Peru are filed with the Instituto Nacional de Concesiones y Catastro Minero (INACC) which is part of the Ministerio de Energía y Minas in Peru (MINEM). Claims can vary in size from 100 to 1,000 hectares (ha). They are rectangular geometries parallel to the UTM grid system employed in the district. The Corani Project is in the district of Corani, province of Carabaya department of Puno, in Peru, and covers an aggregate extent of approximately 5,480 ha. The concessions are fully controlled by BCM and are free of any mortgage, lien, charge, third-party royalty, or encumbrance. BCM owns and controls the surface rights that cover the entire project area, including the open pit, waste dump, process plant, water ponds, camp, and ancillary facilities required for operation.

The mineral concessions comprising the Project are subject to compliance with payment of annual license fees of \$3.00 per hectare (“License Fees”). In addition, they are subject to an annual maintenance requirement with one of the following alternative obligations:

- minimum required levels of annual production of at least \$100 per ha in gross sales (“Minimum Production”)
- payment of an additional amount referred as the Penalty
- exploration expenditures of 10 times the Penalty.

Compliance with one of these three maintenance obligations, together with timely payment of License Fees, is required to keep them in good standing. Failure to comply with License Fee payments or Penalty payments for two consecutive years causes the forfeiture of the mineral concessions. The maintenance obligations apply equally to the one (1) new concession once it is integrated into the UEA.

In 2019, the original twelve (12) mineral concessions comprising the Project were subject to the obligations of Minimum Production, Penalties and exploration expenditures in accordance with the maintenance regime (see Section 4 for detail). BCM has made the minimum annual expenditure in 2019 and was not obliged to pay the penalty. BCM believes the same scenario would be repeated in 2020.

Control and current status were verified in October 2019 through an electronic database search of the Instituto Geológico Minero y Metalúrgico (INGEMMET). All concessions are in good standing.

Accessibility and Climate

The Project site is located in the district of Corani, also in the Province of Carabaya in the eastern Andes mountain range. The area is characterized by mountainous terrain dominated by volcanic rock, above which sits glacial gravel. The lithologic and climatic conditions have given rise to a series of cirques or bowl-shaped, steep-walled basins. Apart from the vegetation associated with wetlands, areas of “puna” or alpine tussock grassland occupy the valleys and moderate to steep slopes. The areas above 4,700 masl mostly consist of steep mountainous slopes where erosion and climatic conditions largely prevent the development of soils or vegetation. These areas are scarcely vegetated with species specially evolved to withstand the harsh conditions. The naturally occurring acidic soils related to oxidation of sulfide bearing materials, and the resulting acid rock drainage from exposed mineralized zones within the project area, have also prevented the development of vegetation where these conditions occur.

Existing access to the Project site is primarily by road from the town of Macusani (located on the paved dual lane Interoceanic Highway), which is readily accessible from the town of Juliaca, serviced by commercial airlines from Lima. This route typically takes 4.5 to 5 hours by vehicle. There are other access routes to the site from Cusco, taking approximately 6 hours by vehicle on increasingly primitive roads approaching the site. The city of Cusco is also serviced by commercial airlines from Lima.

The nearest town of significant size and with significant infrastructure is Macusani, which is the capital of the Province of Carabaya in the Region of Puno. Macusani is approximately 30 km east of the Project in a direct line. The access road from Huiquisa Bridge to the permanent camp will be improved. The length of the proposed mine access road connecting the process plant to Macusani is anticipated to be approximately 64 km of which 42 km will need to be improved.

History

Prior to the early 1950s, mineral exploration in the Corani district consisted of shallow prospect pits and adits in the northern portion of the current Project area. These prospects are of unknown age and may date back to colonial Spanish time. Antimony prospects south and east of the property reportedly were active in the early 1900s, when there was limited antimony production (Petersen, 1967).

The first modern evaluation of silver-lead mineralization began with the location of mineral concessions in 1951, and in 1956 Compañía Minera Korani was formed to develop the silver-lead mineralization previously prospected. The mines were developed and operated from 1956 to at least 1967. Total historical production is uncertain but is estimated at 100,000 tonnes of silver-lead-zinc ore. In early 1967, estimated mine production was reported at about 3,400 short tons per month, with grades of 7.0-9.0% lead, 2.3% zinc, and 8.0 to 11.0 oz/ton silver (Petersen, 1967).

The next exploration activity was by a private Peruvian company, Minsur S.A. That exploration was reported to include 40 shallow drill holes in various locations, including a number of close proximity holes in the gold zone (located south of the current resource area). Although Minsur is an active mining company in Peru, attempts by BCM to secure copies of Minsur's exploration data have been unsuccessful. None of Minsur's exploration information is available or verifiable, although, reportedly, gold mineralization was encountered in some of Minsur's drilling.

In late 2003 and early 2004, Rio Tinto Mining and Exploration began a surface exploration program for porphyry copper mineralization. That initial work by Rio Tinto defined anomalous silver and lead mineralization to the south of the Korani mines and also defined a zone of anomalous gold mineralization in rock and soils. The concession ownership by Compañía Minera Korani apparently lapsed during the 1970s. The ownership of Minsur also lapsed prior to Rio Tinto's exploration activities after 2000. Rio Tinto re-established some of the older concessions in their name beginning in 2003. BCM acquired two additional concessions in 2005, and between 2007 and 2011 acquired the Rio Tinto concessions to consolidate the project. One additional concession was added in 2019 to create the current land position described in Section 4.

Seven previous resource estimates and four previous mineral reserve estimates have been completed for the Project and are published in previous technical reports beginning in 2006. Since 2006, the Measured and Indicated Mineral Resource has grown from approximately 40 million ounces (Moz) of silver to over 300 Moz of silver.

Geological Setting and Mineralization

The Corani Project area is located within the Cordillera Oriental of the Central Andes. The Project area is underlain by tertiary volcanic rocks of the Quenamari Formation, specifically a thick series of crystal-lithic tuffs and andesite flows which overlie variably deformed Lower Paleozoic to Mesozoic metasediments of the Ambo and Tarma Groups. The primary host of mineralization is the Chacaconiza Member of the Quenamari Formation. The Chacaconiza is the youngest member of the Quenamari and is comprised of a sequence of crystal-lithic and crystal-vitric-lithic tuffs. The tuffs are widely hydrothermally altered and pervasively argillized to low-temperature clays, and are variably faulted, fractured, and brecciated.

Mineralization at the Corani Project occurs in three distinct and separate zones: Corani Main, Corani Minas, and Corani Este, each differing slightly in character with regard to both alteration and mineral assemblages. In general, mineralization in outcrops throughout the Corani Project is associated with iron and manganese oxides, barite, and silica. Silicification is both pervasive and structurally controlled along veins. In drill core, the mineralization occurs in typical low to intermediate sulfidation silver-lead-zinc (Ag-Pb-Zn) mineral assemblages. The most abundant silver-bearing mineral is fine-grained argentian tetrahedrite or freibergite.

Structurally, the Corani deposit is situated within a stacked sequence of listric normal faults striking dominantly north to north-northwest with moderate to shallow (50° to <10°) westerly dips. The hanging walls of the listric faults are extensively fractured and brecciated, providing the structural preparation for subsequent or syngenetic mineralization. The stacked listric faults are more prominent in the Corani Minas and Corani Main areas. The Corani Este area contains a single known listric fault with an extensively fractured and brecciated hanging wall. The contact with the underlying Paleozoic sediments corresponds locally to listric faults dipping shallowly to the west.

Deposit Types

The Corani deposit is best described as a low- to intermediate-sulfidation epithermal deposit with silver, lead, and zinc mineralization hosted in stock works, veins, and breccias. Mineralization is principally located in a set of listric faults with a general north-northwest strike and dipping west, with dilational segments related to subvertical structures and breccias in the hanging wall, and veinlets forming stockworks in the footwall. Structural control of the mineralization is a product of extensional tectonics that developed the series of north- to northwest-trending fractures and faults and whose movements provided the structural preparation for the influx of mineralizing hydrothermal fluids.

Mineralization at Corani is likely both laterally and vertically distal to an intrusive fluid source. Mineral textures grade from coarse crystalline quartz-pyrite-chalcopyrite in the southern portion of the Project area, to finer grained, pyrite-dominated sulfide minerals in the north, suggesting a south-to-north hydrothermal fluid flow. This spatial zonation suggests a rapidly cooled ore fluid typical of a distal setting surrounding a buried intrusion. The multiphase nature of the mineralization and zonation at Corani may be related to multiple fluid exsolution events from an evolving porphyry type system that possibly underlies the southern part of the area. Alternatively, the mineralizing solutions may be related to shallow, subvolcanic dome emplacement.

Exploration

BCM began exploring the Corani Project in early 2005. In addition to drilling, exploration activities carried out by BCM include detailed geologic mapping, trenching, and geophysical surveying.

BCM has conducted general geologic surface mapping over the entire Project area. The total mapped surface is about 4.5 km wide (east-west) and 7.5 km long (north-south). In 2015, detailed surface mapping, including lithology, alteration, and structures, was performed at a scale of 1:2,500 in the area of the proposed pits.

BCM has completed 25 trenches within the Project resource area (Corani Main, Minas, and Este) to verify the continuity of the structures covered by quaternary sediments. Spacings between the trenches were roughly 50 to 100 meters. Channel samples from these trenches have produced an associated 1,295 assay intervals for a total of 2,924 meters of trench data.

VDG del Perú S.A.C. (VDG) conducted a ground geophysical campaign at the Corani Project on behalf of BCM in the fall of 2005. A total of 44.20 line-km of induced polarization (IP) data was collected, along with 50.95 line-km of magnetic survey. The geophysical surveys were aimed at assisting in geological mapping, including lithologies and key structures and at mapping mineralization and alteration associated with a low sulfidation gold-silver system. The objective of the IP/Resistivity survey was to map the electrical response by means of high-resolution IP traverses across the favorable north-south corridor identified based on the results of both trench and drilling exploration. The final chargeability and resistivity depth sections mapped systematically clear contrasts from line to line between the sub-surface and a nominal depth of 283 meters below surface. The chargeability outlined five (5) IP anomalies, two of which correspond to the Corani Main and Corani Este areas. Those anomalies accurately mapped the known mineralization and extended the size of both mineralized zones.

Drilling

Since 2005, BCM has completed a total of 562 drill holes at the Corani Project, for a total of approximately 101,401 m. Drilling was completely by the Peruvian contractor, Bradley MDH,

primarily using LD250, JKS35, and LJ44 drill rigs. All of the drilling to date has been completed using diamond core drilling methods to produce either HQ (6.35 cm dia.) or NQ (4.76 cm dia.) core. Diamond drill hole data in the Project database used to model the resource includes 476 drill holes with an associated 36,103 sample intervals over a total of 83,104 m of drilling. The Project database contains 36,103 assay values each for silver, lead, zinc, and copper. In 2019, BCM completed a total of six drill holes at the project site, with a total of 906.0 m. Although these drills were made to obtain material for metallurgical studies, the results of laboratory testing include 984 assay values each for silver, lead, zinc, and copper, which were added to the project database for updating the resource estimate.

Sample Preparation, Analyses and Security

BCM employs standard, basic procedures for both drill core and trench sample collection and analysis. Formal chain-of-custody procedures are maintained during all segments of sample transport. Samples prepared for transport to the laboratory are bagged and labelled in a manner that prevents tampering and remain in BCM control until released to private transport carrier in Cusco or Juliaca. Upon receipt by the laboratory, samples are tracked by a blind sample number assigned and recorded by BCM. The samples are prepared according to ALS-Chemex preparation code PREP-31, and silver, lead, zinc, and copper assays are carried out by three-acid digestion followed by atomic absorption spectrophotometry (AA) analysis. Multi-element inductively coupled plasma (ICP) analysis is conducted on select sample intervals to assist with mineralization classifications and to guide the interpretation of the metallurgical process response.

BCM maintains an internal Quality Assurance/Quality Control (QA/QC) program, which includes both standards and check (lab) sampling. Global Resource Engineering Ltd. (GRE) conducted a critical review of BCM's QA/QC program; toward that end, BCM provided GRE with QA/QC data in multiple Excel spreadsheet files. GRE compiled the data into a single, comprehensive QA/QC data worksheet for analysis and evaluation. Based on the results of GRE's review, in conjunction with observations and conversation with BCM personnel during the QP site visit, BCM's routine sample preparation, analytical procedures, and security measures are, in general, considered reasonable and adequate to ensure the validity and integrity of the data derived from BCM's sampling programs. GRE recommended that BCM expand the existing QA/QC program to include at least standards, blanks, and duplicates, and that QA/QC analysis be conducted on an on-going and documented basis, including consistent acceptance/rejection tests.

Data Verification

Data verification efforts included an on-site inspection of the Corani Project and core storage facility, check sampling, and manual and mechanical auditing of the Project database.

During the on-site inspection in August 2017, GRE's (QP) representative conducted general geologic field reconnaissance, including inspection of bedrock exposures and other surficial geologic features, ground-truthing of reported drill collar and trench sample locations, and superficial examination of historic mine workings. One full day of the site visit was spent at the core storage facility in Juliaca, where select intervals of whole and half core were visually inspected, and samples were selected to submit for check assay. Field observations during the site visit generally confirm previous reports on the geology of the Project area. Bedrock lithologies, alteration types, and significant structural features are all consistent with descriptions provided in existing Project reports, and the QP did not see any evidence in the field that might significantly alter or refute the current interpretation of the local geologic setting.

Specific core intervals from 35 separate drill holes were selected for visual inspection and potential check sampling based on a preliminary review of the drill hole logs and associated assay values. The core intervals were selected prior to the site visit, and the core was laid out by BCM staff and ready for inspection upon arrival. With few exceptions, the core samples accurately reflect the lithologies recorded on the logs. A total of 17 samples were selected for check assay. The samples were selected from low, moderate, and high-grade intervals based on original assay results. In all cases, the degree of visible alteration and evidence of mineralization observed was generally consistent with the grade range indicated by the original assay value. Laboratory analysis was completed by ALS Peru S.A. using the same sample preparation and analytical procedures as were used for the original samples. Standard t-Test statistical analysis was completed to look for any significant difference between the original and check assay population means. The results of the t-Test showed no statistically significant difference between the means of the two trials (original versus check assay).

GRE completed a QA/QC audit of the digital Project database by comparing a random selection of original assay certificates to the assay information contained in the Corani Project database. Results of the QA/QC audit indicate a minor and acceptable error rate. GRE also completed a mechanical audit of the Project database to evaluate the integrity of data from a data entry perspective. The mechanical audit identified a small number of data entry errors, including gaps, overlaps, and missing sample intervals. All data entry errors were easily rectified and are considered insignificant with regard to potential impact to the mineral resource and mineral reserve estimates. The database audit work completed to date indicated that occasional inconsistencies and/or erroneous entries are likely inherent or inevitable in the data entry process. GRE also completed overall view on the BCM's in-house QA/QC over all drilling in the 2019 campaign. The overall view on the QA/QC program indicates acceptable performance of blank and standard for all drilling data. GRE recommended that BCM establish a routine, internal mechanical audit procedure to check for overlaps, gaps, total drill hole length inconsistencies, non-numeric assay values, and negative numbers. The internal mechanical audit should be carried out after any significant update to the database, and the results of each audit, including any corrective actions taken, should be documented and stored for future use in database validation.

Mineral Processing and Metallurgical Testing

The Corani deposit is a silver-lead-zinc deposit with varying mineralogy associated with specific mineral zones. Review of the testing data shows that the metallurgical response of Corani samples to flotation is heavily dependent on the mineralogy. The most frequent geological ore classification, Fine Black Sulfide (FBS), exhibited a range of lead-silver and zinc flotation recoveries. The variable response was shown to be generally related to the fine texture of the mineralization and presence of non-sulfide lead minerals. However, the geological classifications do not provide any insight into the texture or quantity of non-sulfide lead minerals.

Additional test work was performed in 2018 and 2019 on 12 samples from 9 boreholes (6 of which were new) drilled in the Este, Minas, and Main pits to optimize the known flotation test conditions as well as the comminution parameters, reagents scheme, and dewatering of concentrates and tailing characteristics. The selected samples reasonably cover the entire ore deposit and included ore with some degree of oxidation and ore with low sulfide content. The information obtained validated and improved the recovery formulas, providing additional confidence in the LOM production schedule. The locked-cycle flotation tests performed on the sulfide ore composites showed that lead recoveries to the lead concentrate ranged from approximately 62% to 78% with corresponding concentrate grades of 61% to 49% lead. Total

silver recoveries ranged from approximately 63% to 84%. Zinc recoveries to the zinc concentrate ranged from 39% to 75% with corresponding concentrate grades of 55% and 53% zinc.

This test work confirmed that marketable quality lead and zinc concentrates can be produced using the processing parameters selected for the process plant design.

GRE updated the geometallurgical database and performed an exploratory data analysis, including the identification of outliers and review of the mineralization styles, mineralogy, and geologic log data to see if improvements could be made to the metallurgical performance predictions. In addition, the statistical models were updated and a comparison was made to locked cycle testing (LCT) to estimate the final recoveries to the lead and zinc concentrates. The geometallurgical model was updated to include a transition indicator to discriminate between sulfide and transition zone responses.

With metallurgical response linked to block modelling parameters, the mine plan was optimized to maximize the revenue for the Project. Table 1-3 displays the estimated metal recoveries by mine schedule.

Table 1-3: Recovery predictions for mine schedule

Production Year	Tonnes (000)	Feed Grade			Recovery to Pb Con %		Recovery to Zn Con %	
		Silver g/t	Lead %	Zinc %	Silver	Lead	Silver	Zinc
Year 1	8,600	100	1.10%	0.84%	64.2%	51.3%	5.4%	78.4%
Year 2	9,882	71	1.04%	0.77%	66.3%	63.7%	6.9%	78.1%
Year 3	9,855	78	1.12%	0.69%	66.8%	60.6%	5.2%	72.3%
Year 4 to 5	19,710	65	1.26%	0.60%	61.4%	58.3%	7.1%	70.7%
Year 6 to 10	49,329	39	0.74%	0.51%	61.6%	58.9%	10.5%	70.5%
Year 11 to 15	41,206	32	0.79%	0.44%	64.1%	62.7%	7.5%	74.5%
LOM	138,582	51	0.90%	0.55%	62.9%	57.2%	6.1%	72.3%

Mineral Resource Estimates

GRE updated the Mineral Resources for the Corani Project with new drilling completed in 2019. This drilling added 6 holes to the database used for estimation. The drill hole database was updated with geologic logs and assays of primary recovery indicators: copper, goethite, manganese oxide, pyrite, and galena. These geometallurgical indicators were modelled along with the economic metals in the block model. The 2019 model uses the updated drill hole database, including the 6 additional drill holes drilled subsequent to the development of the previous database. An indicator field was added to the model to estimate the extent of the transition material.

The resource model has three main lithologies: a basement sediment with minor quantities of mineralization, the mineralized (pre-mineral) tuff, and a mostly unmineralized post-mineral tuff

that is assumed to be barren. Mineralization has been defined by three mineralization groups: oxidized, transition, and sulfide. The Mineral Resources for the Corani Project are shown in Table 1-4. The Mineral Resources were generated within the \$30.00/troy ounce silver, \$1.425/pound (lb) lead, and \$1.50/lb zinc price Lerchs-Grossman economic pit shell and the calculated \$10.79/tonne NSR cutoff.

Table 1-5 shows the potentially leachable Mineral Resource contained within the Whittle pit shell at a 15 gram per tonne silver (g/t Ag) cutoff that is available in addition to the Mineral Resource shown in Table 1-4.

Table 1-4: Total mineral resources (includes both resources and reserves)

Category	Tonnes (000)	Silver g/t	Lead %	Zinc %	Silver Moz	Lead Mlb	Zinc Mlb
Measured	30,585	50.0	0.79	0.49	49.1	534	329
Indicated	208,050	40.9	0.64	0.43	273.5	2,933	1,985
Measured + Indicated	238,635	42.1	0.66	0.44	322.7	3,466	2,313
Inferred	73,185	35.5	0.40	0.30	83.5	641	484

Note: Cutoff Value: \$10.79/tonne covers process and general and administrative costs.

Table 1-5: Total mineral resource of potentially leachable material (includes the mineral reserve)

Category	Tonnes (000)	Silver g/t	Silver Moz
Measured	4,302	28.9	4.0
Indicated	36,104	30.1	35.0
Measured + Indicated	40,406	30.0	39.0
Inferred	24,311	38.2	29.9

Mineral Reserve Estimates

GRE reviewed and verified that the phased mine design generated by BCM was prepared with sound engineering principles and is correct. The mine design was compared to Lerchs-Grossman (LG) pits estimated using the current GRE Mineral Resource block model. GRE has found the work performed by BCM to reasonably conform to those current economic pits estimated. The LG estimation used \$20.00/oz silver, \$1.00/lb zinc, and \$0.95/lb lead for the mine design (unchanged from the 2017 Technical Report).

The Project Mineral Reserves consider only measured and indicated resource categories, which have been converted to proven and probable reserves categories, respectively. Mineral Reserves are defined as being the material to be fed to the process plant in the mine plan already described and are demonstrated to be economically viable in the Corani Project economic model. The Mineral Reserves are shown in Table 1-6.

Table 1-6: Corani Project mineral reserves

Classification	Tonnes kt (dry)	Grade			NSR	Contained Metal		
		Silver g/t	Lead %	Zinc %	\$/t	Silver Moz	Lead Mlb	Zinc Mlb
Proven	20,330	59.7	1.00	0.60	34.0	39.0	450.0	268.5
Probable	118,253	49.9	0.88	0.55	29.5	189.6	2,290	1,426
Total Proven + Probable	138,582	51.3	0.90	0.55	30.2	228.6	2,740	1,694

Notes:

1. The Mineral Reserves have been estimated using the definitions of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).
2. The Mineral Reserves have been estimated using the following metal prices: \$20.00/oz silver, \$1.00/lb zinc, \$0.95/lb lead using a revenue factor 1.00 pit shell as a basis for the pit design.
3. Only pre-mineral tuff type of material has been considered as reserves.
4. NSR Cutoff grades used are equal or higher than: \$10.79/t.
5. The effective date for these Mineral Reserves is 5 November 2019.
6. Totals / Averages may not add up due to rounding of individual tonnes and grades.
7. The tonnes and grades shown above are considered a Mineral Reserve because they have been demonstrated to be economically viable through the Corani Project financial model using the following metal prices: \$18.00/oz silver, \$1.10/lb zinc, \$0.95/lb lead.

Mining Methods

The Corani Project will be mined using conventional open pit mining methods, with either an owner mining or a contractor mining scenario. The base case assumes contractor mining. The rock will be broken by drilling 0.156 m diameter blast holes and blasting with ammonium nitrate/fuel oil (ANFO) and emulsion. Broken rock will then be loaded into 140 tonne trucks using a 19 cubic meter (m3) front end loader or one of two 22 m3 hydraulic shovels. Support equipment includes two Caterpillar D9 bulldozers, a road grader, water trucks, rubber tire dozer, compactor, excavator, fuel and lube trucks, and other miscellaneous equipment.

During a 17 month pre-production stripping, pioneering, haul road construction phase prior to plant production, 4.7 million tonnes of waste rock will be mined to generate construction material. Another 13.8 million tonnes will be mined immediately prior to production. The mine is designed to generate 9.855 million tonnes of ore per year with an average strip ratio of 2:1 during the first three years, falling to below an average of 1.1:1 the remainder of the mine life.

Recovery Methods

A cost-effective plant has been designed to process the Corani ore at a rate of 27,000 t/d. This was achieved by minimising the footprint, maximising throughput and taking advantage of the topography.

The mined ore will be crushed by a single gyratory crusher prior to two stages of grinding in a semi-autogenous (SAG) mill and ball mill. The lead and zinc bearing minerals will be recovered

in a two-stage sequential flotation and regrind circuits. The design allows for 75% of the lead to be recovered in the lead flotation circuit followed by 69% recovery of zinc to the zinc flotation circuit.

To reduce the water consumption, the tailings from the flotation circuits will be thickened in high-compression thickeners prior to filtration in conventional pressure filters. The filtered tailings will be co-disposed together with the mined waste to produce a stable waste deposit.

Project Infrastructure

The Corani Project site location is remote, at high elevation, and 42 km from the interoceanic highway. The nearest urban area is Macusani with a population of approximately 12,700 people (2017 census). The infrastructure to be developed for the Project includes access to site, internal access routes, process buildings and related facilities, water supply, power supply, communications systems, and storage and warehousing.

Project components have been optimized subsequent to the 2017 Technical Report. Optimization engineering studies, geotechnical site investigation work, quarry studies and laboratory testing programs have been performed in order to reduce capital and operating costs.

The most significant changes were advanced through additional fieldwork, trade-offs and detailed engineering to support the optimization concepts presented in this study. A summary of the infrastructure related work performed subsequent to the 2017 report is presented below:

- additional geotechnical investigations, adding 9 boreholes, 28 test pits and 31 Lightweight Dynamic Penetration Tests (LDPT)
- improved access from the camp to the process plant
- a quarry study, locating proper aggregates for concrete near the process plant
- review and optimization of the project and plant footprints
- optimised access for mine vehicles (haul roads).

Transportation, access, and site roads

Transportation to and around the site is by roadways that have been developed and improved to accommodate the demands of the Project.

A 42 km access road (PU 516 – PU 514) which connects to the interoceanic highway 7 km from Macusani has been evaluated and designated to be used for the construction stage (“Construction Access”). This road is part of the national road network and will require repair and maintenance during the construction stage in order to allow the access of equipment, supplies and materials for the project.

The construction access has few interferences and requires minimal CAPEX investment due to the alignment and location. There is minimal impact on local residents as there are no communities situated along the route. The access will also be available if needed during operations and can be used to receive supplies and deliver the lead and zinc concentrates to the Port of Matarani or other ports via trucks connecting to Peru’s public highway system.

Another access road (a 44 km new highway design by GMI and included in the 2017 Technical Report), has a government investment budget for construction approved for 2021 and will be available for operations assuming the funds are released and construction is completed as planned (north route shown in Figure 18-1).

Mine service facilities

The mine service facilities will primarily be located on the Mine Infrastructure Area (MIA) adjacent to the process plant. The facilities include:

- truck workshop
- wash bay and associated repair facilities
- mine offices
- warehouse
- fleet management system (dispatch)
- explosives storage facility.

The explosives storage facility will be located in a remote area adjacent to the mine for safety and security purposes.

Administration facilities

The administration facilities include the following buildings:

- process plant gatehouse building
- administration building.
- warehouse building
- first aid building
- reagent storage building.

The administration facilities are located near the process plant and will contain the offices for the local management and administration personnel. The process plant gate house is located at the entry to the site near the contact and non-contact water ponds.

There will be a small administration building at the accommodation camp for camp management as well as the main medical post. Access to the plant site will be controlled from the gates in the camp.

Project water management

Surface water and groundwater will be used to provide the water required for the project. Surface water (runoff and streamflow) and groundwater (from pit dewatering) will both come from the watershed that hosts the project. No cross-basin abstractions will be required. Water on the project is classified as either contact water or non-contact water. Contact water is defined as water that has had contact with any area disturbed by the project where the water quality could be degraded from Acid Rock Drainage (ARD) or other water contaminants. Non-contact water is defined as water that has not had contact with the process components or any area that has been disturbed. Contact water and non-contact water will be managed and conveyed separately. They will ultimately be stored in a water storage pond which has two separate compartments, one for each circuit. The contact water that has been stored will be consumed as preferential process water (make-up) for the plant. This water cannot be discharged to the environment during operations (see Section 20). A portion of the non-contact water stored in the pond will be used to supplement the process water demand during the dry seasons. Non-contact water that is not used will be discharged, if necessary, to the Quebrada Chacaconiza. The project is required to discharge a fixed quantity of non-contact water downstream as part of the environmental impact study and ITS (see Section 20).

Power supply

A 138 kV power transmission line is necessary to provide power to the Corani Project. A new power substation (the Antapata Substation, currently under construction) will connect with power transmission lines L-1010 and L-1051 (San Gabán II – Azángaro) as the power source. A new 138 kV power transmission line will be built to connect the Antapata substation to the main Corani substation to be built near the Project's main process buildings. The transmission line will be 29.4 km in length. The proposed alignment for the 138 kV line was provided by Promotora de Proyectos S.A.C. company in 2019. The transmission line route uses the route already provided by the Project's access road.

Rights of way for the power line have been agreed with the local communities but have yet to be purchased from the individual land holders.

Waste rock and tailings management facilities

The main mine waste and filtered tailings deposit or 'deposito de desmonte mina y relaves filtrado principal' (DDMR) serves for disposal of mine waste and filtered tailings in a common deposit, the size of which has been designed for the quantities considered in the mine plan. The height could be increased to give more capacity in the future if required. In total, 79% of the waste to be mined is classified as non acid generating (NAG). The co-disposal will use a 25 meter thick layer of NAG material on the foundation and outer shell for encapsulating the potentially acid generating (PAG) material and tailings. Initially, a base platform will be constructed using NAG mine waste from the mine pre-stripping stages. This facility and the mine pits are designed to minimize and mitigate the formation of acid rock drainage (ARD), which is a natural process which arises from the oxidation of sulfide minerals. This risk is present in Corani waste rock, tailings, and pit walls. Section 20 describes the ARD management plan.

The co-disposal during the wet season will be carried out on the upstream zone of the deposit. During the dry season co-disposal will be carried out in the downstream zone. The upstream zone will also be used for placing filtered tailings with moisture over 17% w/w or mine waste with high clay content. A detailed disposal plan has been prepared over a monthly basis for the first two years and year-on-year for the life of mine. If times occur during operations that mine waste is not available in sufficient quantities for co-disposal, tailings will be placed on the upstream zone.

Filtered tailings and mine waste will be placed in the same location for conforming layers of 2 metre maximum thickness. The disposal will be performed from upstream to downstream in order to facilitate water management.

In years 10, 11 and 12, 35.5 Mt of mine waste will be used to backfill the East, Minas and Main pits.

Market Studies and Contract

BLB Advisory prepared an analysis of market prices and market conditions for lead and zinc. This included a review of current and forecast treatment and refining charges and penalties from smelters/refineries, costs associated with concentrate handling, and shipping costs (inland and ocean) to potential customers. All information was sourced from public and subscription-based sources, quotations collected from the market and BLB's experience. The supplied information was used as a guide to develop all associated payments and expenses associated with the sale of Corani concentrates. There are no letters of intent or concentrate sale agreements in place.

Environmental Studies, Permitting and Social or Community Impact

For the development of mining projects in Peru, the approval of the Environmental and Social Impact Assessment (ESIA) is required in order to start the project development. The original ESIA was approved by the Ministry of Energy and Mines (MINEM) in 2013, based on the Feasibility Study (FS) prepared in 2011. Two modifications to the ESIA, in the form of an Informe Tecnico Sustentatorio (ITS), have been approved. The first one was in 2016 and an additional one was completed in 2017. Currently, Bear Creek is planning to complete a third ITS modification of the ESIA that includes the latest engineering changes.

The ESIA requires the filing of a mine closure plan. The mine closure plan was approved in April, 2015. An update to the closure plan was approved in 2018.

As the primary changes to the ESIA are relatively minor and focused on optimization of the mineral processing, additional public hearings are not required. Additionally, the modifications reduce the environmental impact of the proposed Corani operation, which may result in quicker approval of the third ITS once it is submitted. The submission and approval of the ITS is not expected to impact construction.

Significant community consultation has been undertaken with the Chacaconiza and Quelcaya communities to date. Discussions have included a proposal for mining employment, which has generated widespread acceptance of the Project, mainly among younger community members, the teachers at local educational facilities, and community leaders. The current labor force is generally unskilled, mainly working on highway remediation and maintenance. A technical training program that is directed at developing the skills of community members to fulfill employment requirements of the Project has been started.

Bear Creek completed a Life of Mine (LOM) Investment Agreement in June 2013 with the District of Corani, five surrounding communities, and relevant, ancillary organizations. The agreement specifies investment commitments over the 23-year project life, which includes the pre-production construction period. Under the agreement, annual payments are to be made into a trust designed to fund community projects totaling 4 million Nuevos Soles per year (approximately \$1.2 million per year). Once the Project commences development, the payments will remain constant throughout the development/construction phase and during production. Cessation or interruptions of operations will cause a pro-rata decrease in the annual disbursements. As an integral part of the LOM agreement, a trust or foundation structure is established for approval of investments and disbursement of funds. Some initial projects have already been funded.

Capital and Operating Cost

The Corani Capital cost estimate has been prepared in US dollars (\$) to an accuracy of -10% / +15% and has generally been prepared in line with the Association for the Advancement of Cost Engineering (AACE) International, Recommended Practice No. 47R-11 for a Class 3 Estimate.

The concentrates are seen to be easily marketable due to the high silver grade in the lead concentrate and the overall grade of the zinc concentrates. Life of mine capital cost, initial capital and life of mine operating cost estimates are summarised in Table 1-7, Table 1-8 and Table 1-9, respectively. The capital cost estimates have been divided between the scopes estimated by Ausenco (process plant and on-site infrastructure) and BCM (mining, waste dump, and off-site infrastructure).

Table 1-7: Life of mine capital cost summary

Cost Type	Cost (\$ M)
Initial CAPEX	579
Sustaining CAPEX	23.5
TOTAL	603

Table 1-8: Capital cost summary

WBS	Description	Ausenco Value (\$M)	Bear Creek Value (\$M)	TOTAL Value (\$M)
1000	Mining	0.0	59.3	59.3
2000	Process plant	234	0.0	234
3000	On-site infrastructure	17.4	40.8	58.2
4000	Off-site infrastructure	0.0	25.5	25.5
5000	Field indirects	20.7	0.3	20.9
6000	Other	3.9	0.0	3.9
7000	Engineering	60.0	0.0	60.0
8000	Owner's costs	0.0	65.3	65.3
9000	Contingency	34.4	17.1	51.5
	Total	371	208	579

Table 1-9: Life of mine operating cost summary

Operating Cost	\$/ tonne ore
Mine	4.29
Process Plant	10.04
General and Administration	1.88
Concentrate Transportation	2.48
Total Operating Cost	18.70

Economic Analysis

The economic analysis was performed using a Discounted Cash Flow (DCF) as per standard industry practice. The key assumptions used for the study are shown in Table 1-10 and establish a “Base Case”. The table provides the life-of-project averages for grade recovery and these values vary over the life of the project depending on head grades and split between mixed sulfide ore and transitional ore.

Table 1 10: Key assumptions for the Corani Project – Base Case

Parameter	Assumption
Annual ore production – years 1 to end of life (kt) ¹	9,239
Overall process recovery – silver – into both lead and zinc con (%)	69.0
Overall process recovery – lead – into lead con (%)	57.2
Overall process recovery – zinc – into zinc con (%)	72.3
Total processed (Mt)	139
Average silver grade (g/t)	51.3
Average lead grade (%)	0.90
Average zinc grade (%)	0.55
Payable ounces of silver net of smelter payment terms (Moz)	144
Payable pounds of lead net of smelter payment terms (Mlbs)	1 480
Payable pounds of zinc net of smelter payment terms (Mlbs)	1 040
Overall stripping ratio	1.42 : 1
Life-of-Mine (years)	15

¹ excluding planned ramp up period in year 1

Project financial analysis outcomes are summarised in Table 1-1.

Adjacent Properties

There are no adjacent mineral properties which might materially affect the interpretation or evaluation of the mineralization or exploration targets of the Corani Project.

Other Relevant Data and Information

Project execution plan

A Project Execution Plan (PEP) has been prepared by Bear Creek and Ausenco creating a project development pathway considering location and site conditions to:

- minimize risk and uncertainty
- manage construction performance and schedule
- deliver the Project on budget.

The Project is planned to be constructed over a three year time period.

The PEP defines the overall approach that will be taken in the project and details the specific philosophies, strategies, methods of work, accountabilities, and resources that will be used in the execution of the Corani Project.

The PEP also serves to align different functions within the project team and quickly orient new team members coming into the project. The Project will be executed in accordance with the PEP to achieve the following objectives:

- achieve an unparalleled safety and environmental record
- educate and involve the local communities and stakeholders in the project
- utilize an efficient “fit for purpose” design
- be constructed on time and on cost
- ensure compliance with project quality standards.

Project development schedule

The project development schedule will begin with the construction of the camp, followed by road construction, then engineering in parallel with the procurement of the first equipment from the second quarter of 2021. Construction activities continue through 2021 and 2023, with the planned start-up until the first quarter of 2024.

The following list shows the estimate time duration for each main activity:

- detailed engineering – 12 months
- early works (camp, power line, access road) – 23 months
- mine construction/pre-stripping – 22 months
- plant construction – 25 months
- commissioning and initial ramp-up – 4 months.

The total time from a decision to proceed is estimated to be approximately 36 months.

Project delivery

The contracting strategy adopted for the project is aimed at minimising risk, by having an experienced EPC/EPCM company for the process plant and a major mining contractor for pre-stripping and mine operations. Responsibilities for scope will be split between the EPCM company and BCM with BCM managing mining related works and some general earthworks and infrastructure. The detailed engineering work will be developed by the EPC/EPCM company.

Due to the location and altitude of the site, pre-fabrication and skid-mounted packages will be considered to the greatest extent practical. Pre-assembled modules will be equipped with piping, valves, wiring and instrumentation to reduce onsite labour.

The majority of equipment and materials are expected to be sourced from USA, Canada, Europe, Chile and China. Some mechanical equipment, consumables and material will be procured from Peruvian suppliers, such as platework and steel structure.

Subcontract packages will be let on a horizontal trade basis for earthworks, concrete works, SMP and E&I. Certain trade packages may be combined should the benefits offered by the subcontractor be large enough to make it worthwhile.

A construction execution plan has been developed to facilitate construction planning with a particular emphasis on strategy, set-up, construction team and functional activities.

Commissioning includes those activities necessary for an effective transition between construction and mechanical completion when systems are turned over to the commissioning and start-up team.

The commissioning and start-up team is planned to be an integrated organization of plant operators, contractors and suppliers.

Recommendations

Recommendations for further work and associated costs are summarised in Section 26. The key recommendations relate to the concentrate marketing, main dump geotechnical stability, mine geotechnical studies, metallurgical test work, water balance and environmental/social/permitting activities.

Project execution risk can be reduced through further detailed planning, materials sources, site geotech and early contractor involvement for sub-contract and major fabrication activities. However, this work should not be commenced until sufficient project finance is in place to ensure a continuous progression to construction completion.”

Environmental and Social Considerations

The Company is committed to developing the Corani Property in a manner that minimizes environmental risks and impacts and provides tangible and sustainable social and economic benefits to communities. By including commitments to social responsibility and environmental stewardship in its corporate goals, and by adopting and applying strong corporate governance policies, the Company believes it is well positioned to mitigate financial and operational risk.

The following table highlights the Company's Environmental and Social practices currently in place at the Corani Property.

Subject	Practices
Governance	<ul style="list-style-type: none"> • The Company will issue its inaugural and foundational ESG report in mid-2022 for the year ended December 31, 2021. This report will align with the following externally-developed economic, environmental and social charters, principles, or other initiatives: GRI, SASB, UN Global Compact, CDP, ISS, and the IFC Performance Standards. The report will cover the Corani Property, which was the Company's sole material property during the 2021 financial year.
Environmental Stewardship	<ul style="list-style-type: none"> • Biodiversity monitoring programs are in place at Corani to track the health and population sizes of mammals, rodents, reptiles, amphibians, birds and important plant species • Comprehensive water quality testing is in place both at the Corani deposit site and downstream • The Corani operation design provides for numerous environmental impact measures including the capture and recycling of water resources; the employment of emissions control and ventilation systems; the avoidance of infrastructure on environmentally sensitive areas; waste rock and tailings impoundment designs that reduce the risk of environmental contamination and structural failure; noise level monitoring; and the selection of equipment that meets or exceeds environmental and emissions standards • The Company seeks opportunities to reduce the environmental impact of its activities through conservation and recycling initiatives

Subject	Practices
Social Responsibility	<ul style="list-style-type: none"> • The Company signed a Life of Mine community benefits agreement with the regional authority and affected communities in the vicinity of the Corani project • The Company has developed a corporate social responsibility program that is based on developing long-term and sustainable economic opportunities in partnership with local communities • The Company is developing systems to ensure compliance with Equator Principles and IFC guidelines and will strive to adhere to the United Nations Sustainable Development Goals it has identified as being most relevant to the Corani project • Numerous successful social programs have been instituted at the Corani project, details of which are available on the Company's website.

Bear Creek believes it has established good working relationships with the local Corani-area communities and the Company is committed to maintaining and strengthening these positive relationships as the Corani Property is advanced.

Bear Creek owns 100% of the surface rights covering the mine, waste dumps and plant. The Company is working with the local authorities to provide the access rights for the ancillary facilities including the access roads and power at the Corani site.

In 2013, the Company entered into the Corani LOM Agreement with the District of Corani, five surrounding communities, and relevant, ancillary organizations specifying investment commitments over the project life, including the pre-production period. Under the Corani LOM Agreement, annual payments totaling S/ 4 million per year (approximately US\$ 1.1 million per year) are to be made into a trust designed to fund community projects. The annual payment amount is subject to review at the end of the fifth year of production and may change depending on a mix of known and unknown factors at that future date. Cessation or interruptions of operations will cause pro-rata decreases in the annual payments. The first Corani LOM Agreement installment payment was made in 2013. Subsequent installments were contingent upon certain permits being granted for the Corani project. As described above under "Three Year History and Significant Acquisitions", these permits were received by the Company as of June 2018. The Company commenced full annual payments of S/ 4 million in June 2018 and has made the required annual payments for the years 2019 through to 2022.

Under the Corani LOM Agreement, a trust structure was established to fund approved investments. Each of the five communities (Corani (Aconsaya), Chacaconiza, Quelcaya, Isivilla, and Aymaña) has agreed to the formation of committees that will consider and approve investment projects for the benefit of the communities, such as schools, medical facilities, roads, or other infrastructure. The annual investment to be directed toward each community is agreed to and defined in the agreement. Bear Creek is an oversight member of the trust; however, the Company has no voting or governing powers. Bear Creek appoints independent members with community social responsibility experience and credibility in order to provide oversight of the foundation's functions in meeting its commitments to the communities and all of its members.

Bear Creek has developed a strong and successful social program for the Corani project hand in hand with local communities that centers on health, education and economic opportunity. Over the past 3 years these social programs have been maintained and expanded, particularly with respect to health and education initiatives to mitigate the risk and reduce the impact of COVID-19, and with respect to expansion of the Corani Technical Innovation Center. This facility was created by Bear Creek to provide

opportunities and resources to local communities for the discovery, development and production of innovative solutions to local needs, and to generate potential economic opportunities that are not dependent on operation of the Corani mine. As a result of the Corani social programs, community health metrics have improved measurably, school attendance has increased, illiteracy rates have decreased, secondary school level education has been offered and graduating student levels have increased, and local employment options have been created through the Technical Innovation Center and the Alpaca Program - an animal care and husbandry initiative that is improving the health of alpaca herds, which provide the primary source of income to local populations. The Corani social program has been so successful, government officials, most recently President Pedro Castillo in October 2021, have cited it as an example of community relations to be followed by other exploration and mining companies in Peru.

Prior to approving the Corani Mine and Process Plant Construction permits, the Government of Peru conducted "*Consulta Previa*" consultations and interviews with Corani-area communities. The State held extensive interviews with local individuals and community groups, without the involvement of the Company, to establish whether community members were knowledgeable about the Corani project activities and potential impacts and whether they were in favour of it proceeding. Local community members, including young people, have thoroughly studied the Corani ESIA and were found to be exceptionally well-informed about the project's design, risks and benefits. Fully 100% of those interviewed indicated they were supportive of the Corani project proceeding to construction and operation.

The Corani Property is designed to meet and, in many ways exceed, international standards of environmental compliance. The Corani ESIA, originally granted to the Company by the MEM in 2013, was subsequently modified, which modifications were approved by the MEM in January 2016 and November 2017.

As with all mining operations, potential environmental risks relate primarily to failure of the physical stability of infrastructure such as open pits and tailings impoundment facilities, and failure of chemical containment measures, each of which could result in the introduction of materials of a quantity or quality that could be environmentally detrimental. The Corani mine and process plant designs include significant environmental risk mitigation measures including but not limited to a low-slope tailings impoundment, disposal of filtered tailings comingled with waste rock, accommodations for planned and unplanned water discharge and runoff, and road networks designed to reduce vehicular accidents.

Current Status

Construction of the Antapata electrical substation, which commenced in late 2018, was completed during 2021 after activity was suspended on a number of occasions during 2020 and 2021 due to COVID-19 restrictions, protocols and outbreaks. After construction of the facility was completed, the Company began pre-operative studies, regulatory compliance, and the application for permits required to connect the substation to the national electrical grid. This permitting process, which relies on an audit by the Peruvian electricity regulator, is expected to conclude in late 2022. The substation, once connected to the Peruvian national energy grid, will transform 138 kilovolts ("kV") energy to 22.9kV energy for distribution to the town of Macusani (on the Interoceanic Highway, approximately 40 km east of the Corani Property). Connecting the Antapata substation to the Macusani municipal grid at the town of Isivilla requires Peruvian government authorities to upgrade the local electrical infrastructure, which is currently underway. Upon completion of the municipal electrical infrastructure upgrade the substation and power line will be commissioned.

The Antapata substation will also direct medium tension power and high speed internet service to numerous villages in the Corani District through an electrical transmission line, the first 6.5 km of which is currently under construction. This transmission line, once extended to the Corani site, will also be used to deliver high tension power and high speed internet to the Corani mine. As of December 31, 2021 the

Company had completed installation of 7 out of a planned 17 electrical transmission towers. Delays were experienced during 2021 due to COVID-19 restrictions, protocols and outbreaks, and while the Company awaited receipt of certificates from Peruvian authorities indicating the non-existence of archeological remnants at the sites where additional transmission towers will be erected.

During 2021 and continuing to date, Bear Creek maintained strict COVID-19 protocols to mitigate the risk of transmission of COVID-19. A rapid response health care center in the community of Isivilla was implemented to provide local, specialized therapy for Covid-19 infection, including oxygen concentrators and ten intensive care treatment beds. COVID-19 continued to affect local communities throughout 2021 above and beyond infection incidence levels, by impacting, in some cases significantly, employment levels and opportunities. Early works projects undertaken by the Company during the year generated local employment, helping families re-establish income lost to the economic downturn caused by the COVID-19 pandemic.

During 2021, Corani engineering activities that commenced in 2020 that were focused on preparing for the eventual start of construction were largely completed. These activities, undertaken by independent engineering firms engaged by Bear Creek, included: completion of the process plant design in preparation for detailed engineering; progression of the earthworks design to 'issued for bid' status; advancement of the earthworks construction design for the tailings and waste impoundment, ponds and haul roads to 'issued for construction' status; detailing of the annual construction and operational plan for the tailings and waste impoundment; updating the water balance calculations; and, updating hydrogeological and geochemical studies. The Company is preparing to accept bids for an EPCM contract for construction of the Corani process plant and infrastructure.

The Company's efforts to secure project financing for the Corani capital requirements is ongoing as of the date of this AIF. As disclosed above under "Three Year History and Significant Acquisitions", the Company is continuing to work with the JLA's to arrange the Facility, which, if concluded, will be used to partially fund construction of the Corani Property. The JLA's will use reasonable best efforts to arrange the Facility with a syndicate of banks and financial institutions. The JLA's have largely completed technical and legal due diligence and have begun efforts to form a banking syndicate composed of international finance banks, export credit agencies and others. As of the date of this AIF, arrangement of the Facility remains in process. There can be no assurance that the Company will be successful at arranging a senior secured credit facility on terms that are acceptable to the Company.

The Company's immediate plans are to complete commissioning of the Antapata electrical substation, complete construction of the first 6.5 km of the electrical transmission line and begin directing power to Macusani and other communities, continue working with the JLA's to secure the Facility, continue developing social programs and economic opportunities in partnership with the Corani communities, and continue discussions with other potential project finance participants. Bear Creek's Board of Directors will consider a construction decision after evaluating all relevant factors.

Mercedes Mine

Introduction

On April 21, 2022, Bear Creek completed its acquisition of the Mercedes Mine. Details regarding the terms of this acquisition are provided above under "Three Year History and Significant Acquisitions".

The Mercedes mine is located in the state of Sonora, Mexico, approximately 300 km northeast of the city of Hermosillo and 300 km south of Tucson, AZ, within the prolific Mexican epithermal gold belt. It comprises 43 mineral concessions covering 69,285 ha.

The technical and scientific information provided below in respect of the Mercedes Mine, specifically under the heading "Summary Section of the 2022 Mercedes Report", is directly excerpted from the 2022

Mercedes Report. Additional details including assumptions, qualifications and procedures contained in the 2022 Mercedes Report are hereby incorporated by reference. Any references cited within this excerpted information are provided in the 2022 Mercedes Report and any defined terms that are not otherwise defined herein will have the definitions ascribed to them in the 2022 Mercedes Report.

Colin Hardie, P.Eng., of BBA Engineering Inc., the QP responsible for the Summary section of the 2022 Mercedes Report, has read and consented to the use, public disclosure and filing of the scientific and technical information excerpted therefrom below, under the heading “Summary Section of the 2022 Mercedes Report”.

Summary Section of the 2022 Mercedes Report

"Introduction

In December 2021, Bear Creek Mining Corporation (Bear Creek or the Company), following its agreement to acquire the Mercedes Mine from Equinox Gold Corporation (Equinox), retained BBA Engineering Inc. (BBA) and G Mining Services (GMS) to carry out an independent audit of the Mineral Reserves and Mineral Resources and to prepare an updated independent technical report on the Mercedes Gold-Silver Mine (Mercedes or the Mine) of the Company’s wholly-owned subsidiary Minera Meridian Minerales S. de R.L. de C.V. (MMM), located in Sonora State, Mexico.

The purpose of this independent technical report is to support the disclosure of Mineral Reserves and Mineral Resources at the Mine as of December 31, 2021. This technical report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

Bear Creek Mining Corporation is a Canadian-based company that is a leading Peru-focused silver exploration and development company. Bear Creek operates entirely in the Americas, with properties in Peru, and Mexico.

The Qualified Persons (QPs) are not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve and Mineral Resource estimate.

Qualified Persons

The following individuals have served as QPs as set out in NI 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101):

Table 1-1: Qualified persons

Qualified Person	Firm	Chapters / Sections	Site Visit
Colin Hardie, P. Eng.	BBA	1, 3, 13, 17, 19, 20, 21, 22, 24, 25, 26, 27	No
Todd McCracken, P. Geo.	BBA	6, 7, 8, 9, 14, 23	No
David Willock, P. Eng.	BBA	15, 16	No
Shane Ghouralal, P.Eng.	BBA	2, 4, 5, 18	Yes
Julie-Anaïs Debreil, P. Geo.	G Mining	10, 11, 12	Yes

All QPs contributed to Chapters 1, 2, 25, 26 and 27, based upon their respective scope of work and the chapters/sections under their responsibility.

Shane Ghouralal, P.Eng., MBA (BBA) visited the site between February 23-25, 2022. The site visit included a walkthrough of the site’s facilities. The site visit also verified the underground mining methods and the equipment used. The testing of old waste stockpiles was observed. A review of the changes in mineral reserves was discussed with the teams and site information was provided to confirm site costs.

Julie-Anaïs Debreil, P.Geo. (GMS) visited the site between February 23-25, 2022. This site visit included a review of the exploration progress, QA/QC activities and a general review of geological sampling and data collection processes with Mine personnel.

Property Description and Location

The Mercedes mining operation is located in the state of Sonora, northwest Mexico, within the Cucurpe municipality (30° 19’47” N latitude and 110° 29’02” W longitude). The Mine is located 250 km northeast of Hermosillo, Sonora’s capital city, and 300 km south of Tucson, Arizona, United States.

Land Tenure

The Mercedes property consists of approximately 69,285 ha of mineral concessions under lease from the government of Mexico. The area is covered by 43 mineral concessions, all of which have been titled as Mining Concessions, according to Mexican mining law. The titles are valid for 50 years from the date titled. All of the concessions are owned by MMM, a wholly owned subsidiary of Bear Creek. All of the concessions are in good standing with mining law obligations through semi-annual tax payments and required assessment work.

The areas of interest at Mercedes are located on private land. A surface access agreement has been in place with the owner of the private land surrounding the Mine since 2000.

Production from the Mercedes property is subject to a 1% net smelter return royalty payable to an independent third party commencing on the earlier of 450,000 ounces of gold production or July 28, 2022. Equinox will hold a 2% net smelter return on gold equivalent ounces produced by the Mercedes Mine. Silver and gold production from the Mercedes property are also subject to a purchase and sale agreement whereby 100% (until 3.75 million silver ounces have been delivered, then dropping to 30%) of the silver production from the Mercedes property is sold at a price equal to 20% of the prevailing market silver price with minimum annual deliveries of 300,000 ounces of silver until 2,100,000 ounces of silver have been delivered. Further, 1,000 ounces of gold production per quarter, subject to adjustment based on the prevailing market gold price (and plus an additional 6.5% of such adjusted amount), must be delivered at a price of 0% of the prevailing market gold price until 9,000 ounces of gold have been delivered. Table 1-2 shows the remaining ounces to be delivered as of December 31, 2021.

Table 1-2: Remaining ounces to be delivered as of Dec 31, 2021 as per sale agreement

Payee	Commodity	Requirement (oz)	Delivered (oz)	Pending (oz)
Nomad	Ag	3.75M	1,052,810	2,697,190
Nomad	Au	10,300	4,000	6,300

MMM has all required permits to conduct work on the property. The QPs are not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform work on the property.

History

Exploration and development work was conducted in at least two or three distinct periods. The Mercedes, Tucabe, Saucito, Anita, Klondike, Rey de Oro, Reina, and Ponchena veins were the focus of exploration and development work on a limited to moderate scale during the late 19th and early 20th century. Very little information is available on this work.

The Tucabe vein was mined around the early 1900s. A cyanide mill was constructed on the site and the Tucabe vein was accessed through a series of tunnels and shafts, covering over 600 m of strike and a vertical range of over 150 m. The Mercedes trend was discovered in 1936. Anaconda Copper Company optioned the property in 1937 and spent two years exploring underground.

In the mid 1990's, the Fomento Minero, an agency of the Mexican government, conducted surface and underground sampling of the Tucabe vein to evaluate potential for an open pit, heap leach operation. A number of companies indicated interest and conducted investigation on the property, including Mogul Mining Ltd. (Mogul Mining), Rio Sonora (Gerle Gold Ltd.), and Minera Sierra Madre, which evaluated the property and completed some exploratory drilling in 1996.

The Mercedes and Klondike Mine areas were first examined by Meridian Gold Inc.'s (Meridian) predecessor, FMC Gold Company, in 1993 as part of a regional exploration program in Mexico. Meridian geologists completed surface and underground mapping and sampling in 2000 with RC drilling focusing on the Klondike and Mercedes zones in 2001, leading to the discovery of a vein-hosted mineralized zone at Mercedes and significant mineralization at Klondike.

In 2002, Meridian entered into a joint venture (JV) with Fischer-Watt Corporation (Fischer-Watt), to continue exploration at Mercedes. Fischer-Watt carried out limited metallurgical testing and developed a preliminary design for underground development on the Mercedes vein. The JV was terminated in the fall of 2004 and the property was returned to Meridian.

The exploration program conducted in 2005 resulted in the discovery of the bonanza grade Corona de Oro shoot in the Mercedes trend. Drilling expanded in 2006-2007, focusing on the Mercedes, Klondike, and Lupita zones.

In October 2007, Yamana Gold Inc. (Yamana) took control over the property and subsequently carried out surface mapping, geochemical exploration, and drilling. An aggressive drilling and development program was initiated to assess the potential of the property and bring it to a feasibility study stage. Drilling from 2009 to 2016, focusing on district exploration outside of the Mercedes-Klondike systems, resulted in the discovery of the Barrancas vein zone, the Diluvio zone at Lupita, and the expansion of the Rey de Oro vein system.

In October 2016, Premier Gold Mines acquired the Mercedes Mine from Yamana Gold.

In April 2021, Equinox Gold Corp. acquired Premier Gold Mines.

In December 2021, Bear Creek Mining Corporation agreed to acquire the Mercedes Mine from Equinox Gold Corp.

The Mercedes Mine began production in November 2011 and as of December 31, 2021, approximately 6.2 Mt of ore grading 4.28 gpt Au and 47.4 gpt Ag have been processed, with a total of approximately 824,100 ounces of gold and 3.5 million ounces of silver produced.

Geology and Mineralization

Regional Geology

The geology of north-central Sonora displays a complex history of tectonic and magmatic activity. The oldest known rocks are folded and variably metamorphosed late Jurassic volcanic sedimentary rocks and lower Cretaceous calcareous sediments.

The sedimentary basement rocks are covered by thick and aerially extensive sequences of upper Cretaceous felsic volcanic rocks, which are in turn locally intruded and overlain by upper Cretaceous andesite flow and intrusive units. This entire rock package was then intruded by a series of granitic to granodioritic stocks and dikes. Continued volcanic activity through the Oligocene produced a bi-modal suite of flows and volcanoclastic units.

The Miocene was dominated by extension, erosion, and limited volcanic activity. Thick and regionally extensive sequences of polymictic conglomerate and arenite, which are locally intercalated with felsic volcanic units, fill extensional basins throughout north-central Sonora.

Property Geology and Mineralization

Two northwest trending arches with exposed Jurassic marine sediments and Cretaceous lithic and quartz-lithic tuff units dominate the local geology. The arches have been intruded by at least three stages of dikes and small stocks, ranging in composition from andesite to latite and rhyolite. Marginal to the northwest trending arches, andesitic volcanic flows and flow breccias have been deposited in at least three west-northwest trending basins. Dikes of andesite and latite crosscut the andesite flow package.

Gold-silver mineralization on the Mercedes property is hosted within epithermal, low sulphidation (adularia-sericite) veins, stockwork, and breccia zones. Over 16.5 km of veins have been identified within or marginal to the andesite-filled basins, which constitute the primary exploration target on the property. Major veins typically trend N30°-70°W at 60° to 90° dips following the major regional structural pattern. Veins typically dip at greater than 60°, but locally range as low as 25°. Post-mineral latite dikes fill some of the same northwest trending structures that host some of the veins, locally destroying mineralization as emplaced.

The mineralized zones display a combination of fissure vein, stockwork, and breccia morphologies that change rapidly on strike and dip. The zones range in width from less than one metre to composite vein/stockwork/breccia zones up to 15 m wide. In the Diluvio zone, gold-silver bearing vein/stockwork zones locally attain thicknesses in excess of 100 m. The length of individual veins varies from 100 m to over three kilometres. Property-wide, gold-silver bearing veins occur over a vertical range of 700 m (600 m to 1,300 m).

Mineralogical studies identified opaque minerals, including iron oxides, pyrite, gold, electrum, stibnite, and rare pyrargyrite, within a gangue of substantial chalcedony, quartz, and carbonate.

Metallurgical studies have identified the presence of very small quantities of native gold, native silver, electrum, pyrargyrite, stibnite, galena, sphalerite, and chalcopyrite in heavy mineral concentrates. Copper minerals such as malachite and chrysocolla are most common as fracture fillings in breccias at Klondike, although rare specks are also seen in the Mercedes and Lupita-Diluvio veins.

Exploration, Drilling and Sampling

Between 2016 and 2021, Premier Gold, the previous owner of the mine, performed both surface and underground drilling programs totalling 166,795 m in 1,079 core holes. The work program tested extensions of the known vein systems in addition to exploration to discover new mineralized horizons.

The primary target areas and objectives in recent times have been:

- Mineralization proximal to the main Mercedes/Barrancas/Lagunas trend;
- Expanding and confirming resource/reserve potential at Diluvio-Lupita, particularly during 2018-2019;
- Defining underground opportunity at Rey de Oro;
- Defining the underground opportunity and potential at Aida (2018) and Marianas (2019);
- Pursuing surface exploration to explore for new target areas on the property.

Mineralized zones at Mercedes, Klondike, Barrancas, Diluvio, Lupita, Marianas and Rey de Oro were drilled on approximately 20 m to 30 m centres, using a combination of diamond drilling with a small amount of RC drilling.

Mineralized zones at Mercedes, (Aida, Gap, Casa Blanca, Corona de Oro, Lagunas), Klondike, Diluvio, Lupita, and fewer on Marianas and Rey de Oro, have been sampled punctually, if not regularly, along and as the mine sublevels traversing the ore zones were driven.

The sample database for Mercedes, as of December 12, 2020, consisted of 3,198 surface and underground drill holes with a cumulative length of 683,354 m (Table 1-3) and some 19,922 channel samples collected underground at the advancing/working faces, totalling some 94,969 m.

Table 1-3: Drill hole (DH) and channel (CHN) assay datasets in the Mercedes database (as of December 12, 2021)

Zone	Number of Channels	Total Length	Number of Channel Assays	Number of Drill holes	Total length	Number of Drill hole Assays
Aida	521	2,214	2,573	89	20,386	4,923
Barrancas	2,339	11,413	14,861	132	29,322	9,015
Brecha Hill	1,490	6,676	8,463	193	42,750	7,497
Casa Blanca	2,544	11,940	14,472	310	42,282	13,237
Corona de Oro	3,489	16,534	19,828	429	70,913	15,828
Diluvio	3,196	23,420	23,697	446	92,519	37,702
Gap	222	1,121	1,404	58	15,623	4,527
Klondike	1,732	7,131	9,044	195	30,493	7,705
Lagunas	2,473	11,667	14,709	163	38,332	12,627
Lupita	2,758	11,083	11,297	321	55,245	7,492
Marianas	37	158	203	169	50,577	11,588
Rey de Oro	753	4,017	4,498	281	42,606	17,739
San Martin	0	0	0	108	25,521	4,714
Total	21,554	107,374	125,049	2,894	556,569	154,594

Mineral Resources

The QP has reviewed the Mineral Resource estimates of the various deposits at the Mine as of December 31, 2021. As part of this review, the QP carried out a visual and statistical review of the geological solids, composite databases, and block models for the 13 deposits documented at Mercedes, that is the: Aida, Barrancas, Brecha Hill, Casa Blanca, Corona de Oro, Diluvio, Gap, Klondike, Lagunas, Lupita, Marianas, San Martin and Rey de Oro.

The QP found that the changes brought about by the reinterpretation and re-contouring of some of the veins in some of the deposits, as well as the additional channel sample and drill hole data and their treatment in grade interpolation, are reasonable and essentially account for the changes in the current resource estimate.

The total Measured plus Indicated Mineral Resources, inclusive of reserves, amount to approximately 3.8 million tonnes grading 4.73 gpt Au and 42.4 gpt Ag, containing approximately 575 K ounces of gold and 5.1 million ounces of silver. The Inferred Mineral Resources total 0.9 million tonnes grading 4.50 gpt Au and 41.0 gpt Ag, containing approximately 128 K ounces of gold and 1.2 million ounces of silver. The Mineral Resource estimates are based upon a nominal cut-off of 2.1 gpt Au for all zone except Diluvio used a cut-off of 2.0 gpt Au.

The Mineral Resources, inclusive of Mineral Reserves, of the various deposits at Mercedes as of December 31, 2021, are tabulated in Table 1-4. The Mineral Resources, exclusive of Mineral Reserves, of the various deposits at Mercedes as of December 31, 2021, are tabulated in Table 1-5.

Table 1-4: Mineral Resource statement (inclusive of Reserves)

	Tonne	Grade		Contained Metal	
Classification	(000)	Au (gpt)	Ag (gpt)	Au oz (000)	Ag oz (000)
Measured	865	4.55	33.73	127	938
Indicated	2,914	4.79	44.93	449	4,209
Total M+I	3,779	4.73	42.37	575	5,147
Inferred	884	4.50	41.02	128	1,167

1. The effective date of the 2021 MRE is December 31, 2021.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability.
4. The Mineral Resource cut-off grade of 2.0 gpt gold for Diluvio and 2.1 gpt for all other deposits was calculated using the following parameters: gold price \$1,350/oz; metallurgical recoveries of 95.5% for gold; refining charges \$8.48/oz gold; mining costs of \$38.4 (Diluvio) and \$43.3 (all other veins), processing costs of \$19.8, and G&A costs of \$15.6 per tonne of ore (all costs in US\$).
5. Calculations used metric units (metre, tonne). Any discrepancies in total amounts are due to rounding.
6. Todd McCracken, P. Geo., is the qualified person for the mineral resource statement as defined by NI 43-101.
7. The CIM Definition Standards on Mineral Resource and Reserves (2014) have been followed.

Table 1-5: Mineral Resource statement (exclusive of Reserves)

Classification	Tonne (000)	Grade		Contained Metal	
		Au (gpt)	Ag (gpt)	Au oz (000)	Ag oz (000)
Measured	703	3.72	25.67	84	580
Indicated	2,282	4.09	39.72	300	2,916
Total M+I	2,986	4.00	36.42	384	3,496
Inferred	884	4.50	41.02	128	1,167

1. The effective date of the 2021 MRE is December 31, 2021.
2. Mineral Resources are exclusive of Mineral Reserves.
3. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability.
4. The Mineral Resource cut-off grade of 2.0 gpt gold for Diluvio and 2.1 gpt for all other deposits was calculated using the following parameters: gold price \$1,350/oz; metallurgical recoveries of 95.5% for gold; refining charges \$8.48/oz gold; mining costs of \$38.4 (Diluvio) and \$43.3 (all other veins), processing costs of \$19.8, and G&A costs of \$15.6 per tonne of ore (all costs in US\$).
5. Calculations used metric units (metre, tonne). Any discrepancies in total amounts are due to rounding.
6. Todd McCracken, P. Geo. is the qualified person for the mineral resource statement as defined by NI 43-101.
7. The CIM Definition Standards on Mineral Resource and Reserves (2014) have been followed.

Mineral Reserves

The Mercedes Mine has been in continuous operation since 2011. The Mineral Reserves are entirely underground Mineral Reserves.

Mineral Reserves are estimated by the application of mining shapes, governed by a minimum mining width of 3.5 m, to the Mineral Resource shapes. Appropriate factors for planned dilution, unplanned dilution and ore recovery have been included as part of the estimate.

The Mineral Reserves for the Mercedes Mine are shown in Table 1-6 and total 2.2 million tonnes at an average grade of 3.75 gpt Au and 29.0 gpt Ag, containing approximately 267 K ounces of gold and 2.07 million ounces of silver in the Proven and Probable categories.

David Willock (QP) has reviewed the work by Mercedes Mine personnel, related to the estimation of the Mineral Reserves, and is of the opinion that the Mineral Reserves have been estimated in an appropriate manner.

Table 1-6: Mineral Reserve statement

Mineral Reserve Class	Tonne	Grade		Contained Metal	
	(000)	Au (gpt)	Ag (gpt)	Au oz (000)	Ag oz (000)
Proven Underground	344	5.65	40.7	62.5	449
Probable Underground	1,873	3.40	26.9	204.5	1,620
Proven & Probable	2,217	3.75	29.0	267.0	2,069

1. CIM Definitions Standards on Mineral Resource and Reserves (2014) have been followed.
2. The effective date of the 2021 Reserve Statement is December 31, 2021.
3. Mineral Reserves are minable tonnes and grades; the reference point is the mill feed at the primary crusher.
4. Mineral Reserves are estimated at a cut-off of 2.1 gpt Au, except Diluvio, which is estimated at 2.0 gpt Au.
5. Cut-off grade assumes a price of gold of US\$1,350 per ounce, a 95.5% gold metallurgical recovery; US\$38.41/t (Diluvio) and US\$43.26 (other deposits) mining cost, US\$19.75/t processing costs, US\$15.61/t G&A, and US\$8.48/oz refining costs.
6. A minimum mining width of 3.5 m was used in the creation of all reserve blocks.
7. Bulk density for ore varies by deposit from 2.22 t/m³ to 2.57 t/m³ and 2.40 t/m³ for waste.
8. Numbers may not add due to rounding.
9. David Willock, P. Eng., is the qualified person for the mineral reserve statement as defined by NI 43-101.

Mining Methods

Mercedes is a fully mechanized, ramp-access, underground mine with five underground mining areas; Mercedes, Barrancas, Lupita, Diluvio and Rey de Oro. The main ramps are driven at a nominal grade of 15% and are 4.5 m wide by 4.3 m high. The main ramps are generally located approximately 136 m from the main mineralized zone in the footwall.

The average production rate over the 5-year mine life is approximately 1,518 tpd with the highest year averaging 1,872 tpd. Ore is hauled to surface via the main ramps and stockpiled on surface near the individual portals. Ore from the Barrancas, Lupita, Diluvio, and Rey de Oro mines is subsequently hauled to a common stockpile area near the jaw crusher.

The Reserve Estimate has most areas being mined by mechanized cut and fill methods with long-hole stoping (uppers) employed in Diluvio and Diluvio West where ground conditions and ore volume permit to improve economics within portions of these deposits.

The Rey de Oro Superior deposit, previously planned as an open pit, will now be mined as an underground operation with production beginning the fourth quarter of 2023.

David Willock (QP) is of the opinion that the selected mining methods are appropriate for the deposits.

Mineral Processing

The processing facilities at Mercedes are based upon conventional milling with Merrill-Crowe recovery of gold and silver as listed below:

- Three-stage crushing with closed circuit tertiary crushing operating at 2,000 tpd;
- Mill operated in closed circuit with cyclones;

- Gravity concentration;
- Agitated leach;
- Counter current decantation;
- Merrill-Crowe zinc precipitation;
- Smelting;
- Cyanide detoxification of tailings;
- Tailings disposal.

Environmental, Permitting, and Social Considerations

The Mercedes operation is in production and operating within the environmental framework put in place by Premier Gold and Equinox, the former mine owners. The site operates under a corporate responsibility program that includes corporate responsibility, community relations, environment, and health and safety.

MMM has a comprehensive and strong community program in the community of Cucurpe, Sonora, approximately 22 km west of the Mine. Although the site is located within private land purchased from a local rancher, different social and economic programs have been established at the community of Cucurpe.

An updated closure plan and schedule was developed by Golder (Golder, 2021) based upon assumed closure activities beginning in 2026. The costs of the closure of the existing facilities at the Mine are mostly concentrated in the first four years, with most closure activities being completed by 2031. The post-closure period begins in 2032 and will continue for 20 years until 2052.

The total direct and indirect cost of closure and post-closure of the Mine was estimated at US\$16.17 million including contingency.

Existing Infrastructure

The Mercedes Mine is comprised of all surface and underground infrastructure necessary to operate the site, including:

- A three-stage crushing and process plant with a maximum installed capacity of 2,000 tpd. This facility manages ore from the different mining areas and stockpiles;
- Mine infrastructure: administrative office facilities, two camp facilities (exploration and mine personnel), mine operation and maintenance facilities (surface and underground), core storage and exploration offices, personnel change room facilities (mine dry), a lamp room and safety room are also in place;
- Tailings management infrastructure for surface disposal; two existing and a third one to be designed and constructed;
- A paste plant for underground backfill. A portion of the tailings are mixed with cement, yielding a nominal output rate of 94 tph of paste backfill at 55 wt% solids content current as mixer trucks transfer the backfill material to the current mining areas further away. The paste plant in general is designed for 78 wt% solids content;
- Two on-site batch plants for the preparation of shotcrete and for concrete as required;

- Water supply and Water Treatment Plant;
- Electrical energy supply with an installed capacity of approximately 14 MW;
- Access roads connecting the site with public roads as well as internal roads connecting the different mine areas to the plant and to the other major infrastructure. There are security gates and security post at mine entries;
- Ore and waste stockpiles areas.

Capital and Operating Cost Estimates

Mercedes is currently operating, and the capital cost estimate covers the ongoing operations. The LOM sustaining capital expenditures total US\$45.5 million as summarized in Table 1-7 as per the MMM 2022 budget.

Table 1-7: Forecast LOM capital costs (2022 to 2025)

Cost/Category	Unit	2022F	2023F	2024F	2025F	Total
Buildings & Infrastructure	US\$ 000	1,760	424	129	0	2,313
Hardware & Software	US\$ 000	562	0	0	0	562
Machinery & Equipment	US\$ 000	3,307	1,959	0	0	5,267
Vehicles	US\$ 000	612	0	0	0	612
Underground Mine Development	US\$ 000	15,404	7,857	2,332	0	25,593
Technical Studies	US\$ 000	100	0	0	0	100
Delineation Drilling- Sustaining	US\$ 000	2,129	2,129	0	0	4,258
Subtotal Sustaining Capital Cost	US\$ 000	23,874	12,370	2,461	0	38,704
Expansionary Mine Development	US\$ 000	0	0	0	0	0
Tailings Dam Expansion -TSF2	US\$ 000	540	0	0	0	540
Tailings Dam Construction - TSF3	US\$ 000	0	1,882	627	627	3,137
Subtotal Expansionary Capital Cost	US\$ 000	540	1,882	627	627	3,676
Exploration Drilling	US\$ 000	1,538	1,538	0	0	3,077
Total	US\$ 000	25,952	15,790	3,088	627	45,457

The capital plan is based upon continued development and further exploration of Mine areas as well as the construction of a new tailing storage facility (TSF3).

The unit operating costs for the life of mine (LOM) are summarized in Table 1-8 as per the MMM 2022 budget. Forecast LOM operating costs are the result of initially focusing mining activities on two production areas, Diluvio and Lupita, bringing additional mining zones into production, and closely managing the skills and numbers of employees needed to support the LOM mine plan.

Table 1-8: Forecast unit operating costs (2022 to 2025)

Production / Cost Metric	Unit	2022F	2023F	2024F	2025F	Average (2022 to 2025)
Production						
Processed Tonnes	t	582,370	683,192	521,335	429,739	2,216,635
Operating Costs						
Mine Administration and Underground	US\$/t ore	43.49	42.31	43.74	54.45	45.31
Process Plant	US\$/t ore	21.52	20.16	22.19	28.84	22.68
Site Overhead	US\$/t ore	10.40	8.64	10.25	23.57	12.38
General and Administration	US\$/t ore	3.22	2.73	3.24	7.74	3.95
Transport and Inventory Adjustments	US\$/t ore	-	-	-	-	-
Overall	US\$/t ore	78.63	73.83	79.41	114.61	84.31

Financial Analysis

An economic analysis of the Mercedes Mine has been completed using the actual mine costs, current LOM plan, scaled actual costs, and estimates presented in this report. The mine is cash flow positive throughout its operation at a gold and silver price of US\$1700/oz and US\$21/oz, respectively.

The current LOM is stated for four years with the current mining reserves. The undiscounted pre-tax cash flow is US\$122M and after-tax cash flow is US\$61M. At a discount rate of 5%, the pre-tax NPV is US\$108M, and the after-tax NPV is US\$55M.

The mine economics are most sensitive to the gold price and operating costs.

Table 1-9 shows the Mercedes Mine Financial Summary.

Table 1-9: Project summary and financial criteria

	Unit	Value
Production		
Mine Life	year	4
Total Potential Mill Feed Tonnage	kt	2,217
Average Feed Grade, Au	gpt	3.75
Average Feed Grade, Ag	gpt	29.03
Mill recoveries (Avg), Au	%	95.5%
Mill recoveries (Avg), Ag	%	40.0%
Recovered Gold Ounces	koz	255
Recovered Silver Ounces	koz	828
Commodity Prices		
Au	US\$/oz	1,700
Ag	US\$/oz	21
Exchange Rate		
US\$	Pesos	19
Operating Costs		
Mine Administration and Underground	\$/t milled	45.31
Plant	\$/t milled	22.68
Site Overhead	\$/t milled	12.38
General & Administration	\$/t milled	3.95
Project Economics		
Gross Revenue	\$M	433.49
Total Selling Cost Estimate	\$M	80.97
Total Operating Cost Estimate	\$M	186.89
Total Sustaining Capital Cost Estimate	\$M	38.70
Total Capital Cost Estimate	\$M	5.28
Pre-Tax Cash Flow	\$M	121.6
Discount Rate	%	5
Rate		
PRE-TAX NPV @ 0%	\$M	122
PRE-TAX NPV @ 5%	\$M	108
PRE-TAX NPV @ 7%	\$M	103
PRE-TAX NPV @ 10%	\$M	96
PRE-TAX NPV @ 12%	\$M	92

	Unit	Value
AFTER-TAX NPV @ 0%	\$M	61
AFTER-TAX NPV @ 5%	\$M	55
AFTER-TAX NPV @ 7%	\$M	52
PRE-TAX NPV @ 10%	\$M	49
PRE-TAX NPV @ 12%	\$M	47

Note:

Total Selling Costs includes, government royalty, royalties, gold streams and silver by-product as it includes the silver streams.

Conclusions and Recommendations

The Mercedes Mine has been successfully developed into a viable mining operation with 11 years of continuous operation history by its various owners. Based on the findings of this technical report, the QPs believe the Mercedes Mine and milling operation is capable of sustaining production through the depletion of the current mineral reserve. Relevant geological, geotechnical, mining, metallurgical and environmental data from the Mercedes Mine has been reviewed by the QPs to obtain an acceptable level of understanding in assessing the current state of the operation. The Mineral Resource and Mineral Reserve estimates have been performed to industry best practices (CIM, 2003) and conform to the requirements of CIM Definition Standards (CIM, 2014).

MMM holds all required mining concessions, surface rights, and rights of way to support mining operations for the life-of-mine plan developed using the December 31, 2021 Mineral Reserves estimates. Permits held by MMM are sufficient to ensure that mining activities within the Mercedes Mine are carried out within the regulatory framework required by the Mexican Government, local and regional agencies. No risk associated with permit extensions is anticipated. Annual and periodic land use and compliance reports have been filed as required.

The Qualified Persons (QPs) have the following recommendations:

Geology and Mineral Resources

- Continue to use analytical method Ag-DAT (4-acid digestion) instead of the FA-gravimetric finish method. From the QA/QC control plots, it appears that the Ag-DAT method produces more consistent results;
- To help improve the silver assaying, review the use of the CDN-ME-1311 standard. It is suggested that the CDN-ME-1311 standard, which accounts for the most failures in QA/QC control plots, may be comprised of a matrix that is more suited to oxidized material and is incompatible with the samples and flux used in the lab.
- Further analyze and review the compositing strategy used for the channel sample (CHN) and drill hole (DH) datasets. The comparative analysis has revealed typically higher average grades for the channel sample composites compared to the drill hole sample data. This suggests a dissimilar behavior or nature between the two datasets and/or perhaps the existence of a bias, introduced either during sampling or during the analytical process. An assessment of the sampling practices for collecting channel sample data may be warranted. The use of mechanical tools for carrying out underground channel sampling is recommended to curtail a possible bias;

- Systematically conduct a kriging neighbourhood analysis (KNA) test to better assess the ordinary kriging (OK) interpolation parameters. The KNA provides a quantitative method of testing different estimation parameters by evaluating their impact on the quality of the results. The interpretation of KNA graphs would help to select the optimal value for each parameter and validate the parameters;
- Additional definition drilling in near the active mining fronts will minimize the risk of grade fluctuation and reduce the impact of the channel samples on the mineral resource model.

Mineral Reserves and Life of Mine Planning

- Enhance the scheduling process to align with project execution;
- Monitor metal price fluctuations and trends and adapt the LOM plan as required to maximize value;
- Optimize MSO variables to suit the mining method selected to enhance the project economics;
- Integrate short term planning process to improve the production profile;
- Develop a waste balance on an annual basis to optimize the production profile;
- Ensure that ventilation models are updated regularly to reflect the current state of the vent system;
- Create and maintain airflow allocation tables in accordance with NOM-023;
- Maintain adequate air velocities for effective gas clearing and heat mitigation.

Metallurgy and Mineral Processing

- Continue to be proactive in improving the operations;
- Complete an evaluation of available data to determine whether gold and silver recovery is a function of head grade, deposit type or other parameters. If so, the correlations may be used to provide more accurate estimates for budgeting purposes.

Infrastructure

- Track and update the site wide water balance on a regular basis to support ongoing operations. The water balance is an important tool to track trends and conduct short-term predictions through simulation of variable operating and/or climatic scenarios to support decision making associated with pond operation, e.g. understanding pond volumes and water availability for ore processing and maintaining adequate freeboard in the TSFs at all times;
- The project site and infrastructure should be assessed annually so that the viability of the basis for the closure plan can continually be checked and the plans can be changed, if necessary, long before closure actually commences. Cost estimates for closure should continue to be updated as the concepts continue to be refined and the design of closure components advances.

Mercedes Streams, Royalties and NSRs

As of the date of this AIF, the Mercedes Mine has the following streams, royalties and NSRs:

- A stream with Nomad Royalty Company ("Nomad") that includes both gold and silver production. Under the Nomad silver stream, one hundred percent (100%) of the silver produced is streamed until

3.75M ounces of silver are delivered, after which 30% of produced silver ounces will be streamed. Payment for streamed silver ounces is 20% of the market price. The agreement requires a minimum annual delivery requirement of 300,000 silver ounces. As of March 31, 2022, the balance of the Nomad stream was 1,803,904 silver ounces.

The Nomad gold stream contemplates fixed quarterly gold deliveries of 1,000 ounces of refined gold (subject to certain escalator and de-escalator provisions) until an aggregate of 9,000 ounces of gold have been delivered. The quantity of gold deliverable pursuant to the outstanding Nomad gold stream as of March 31, 2022 is 5,400 ounces. An escalator and de-escalator exist depending on the gold price. If gold is greater than \$1,650/oz, the quarterly deliveries are reduced by 100 oz (to 900 oz), and if lower than \$1,350/oz, the quarterly deliveries are increased by 100 oz (to 1,100 oz). There is no cash paid to the mine for these ounces and interest of 6.5% is paid on the outstanding gold ounce balance.

- A stream with Sandstorm Gold Royalties ("Sandstorm") that requires payment of 600 gold ounces of refined gold per month for 42 months (a total of 25,200 ounces) at a price equal to 7.5% of the spot gold price at the time of delivery. Thereafter, the Company will sell Sandstorm 4.4% of gold produced by Mercedes at a price equal to 25% of the spot price at the time of delivery.

The Nomad and Sandstorm streams are delivered from production according to agreed gold and silver repayment ounces.

- A 0.5% royalty with the Mexican government on the gross gold and silver revenue.
- A 1% NSR with Elemental Royalties Corp. on gold equivalent production value on the excess of 450K produced, or production beyond July 28, 2022, whichever comes first.
- A 2% NSR with Equinox Gold on gold equivalent ounces produced by the Mercedes Mine."

Other Projects

Maria Jose Prospect

In December 2019, the Company entered into a net smelter return royalty agreement (the "Maria Jose Royalty Agreement"), with Minera Castor S.A.C. ("MICSAC"). Gold production from the Maria Jose Prospect during the financial year ended December 31, 2021, resulted in US\$11,374 in royalty payments to the Company pursuant to the Maria Jose Royalty Agreement.

At December 31, 2021, the Company recognized an impairment loss of \$0.95 million on the Maria Jose net smelter return royalty. The project owner's exploration efforts have not found economic mineralization and it is uncertain that future exploration will change this.

Tassa Prospect

The Tassa silver-gold prospect (the "**Tassa Prospect**"), located southeast of Arequipa in southern Peru, was acquired in 2007 by staking of mineral rights in which the Company controls a 100% interest. The Tassa Prospect is located approximately 230 kilometers south of the Company's Corani Property.

No Mineral Resources or Mineral Reserves have been estimated for the Tassa Prospect. However, past exploration results do suggest potential strategic value to the prospect and the Company has no carrying costs except for annual claim payments, which are not material.

On February 24, 2020 the Company optioned the Tassa Prospect to TECK Peru S.A. ("**Teck**"). Under the agreement Teck may earn a 51% interest in the property by incurring \$3 million in expenditures. The Company would hold a 49% interest in a joint venture company ("**JV**") that would own the rights to the Tassa concessions. By incurring an additional \$6 million in expenditures, Teck may increase its ownership

of JV to 70%. The Company may, prior to the formation of JV, elect to surrender its 49% interest for a 2.5% net smelter return (“NSR”) royalty that would reduce to a 1.5% NSR in exchange for an additional cash payment to Bear Creek of \$1.25 million. There was no exploration work undertaken by Teck on the Tassa Prospect during 2021.

Generative Exploration

Bear Creek defines exploration interests as a “project” if it applies material human and economic resources at a particular target with the objective of estimating its economic potential. Generative exploration, on the other hand, is the search for and acquisition of new exploration opportunities. As a result of its focus on the Corani Project and its commitment to the careful use of capital, Bear Creek has significantly reduced its generative exploration efforts in the past several years. However, the Company has maintained its Peruvian and precious metals exploration expertise and regularly considers property submissions and generative exploration ideas for possible acquisition through staking, optioning, joint venture or purchase.

DIVIDENDS AND DISTRIBUTIONS

Bear Creek has not paid any dividends on its Common Shares since its incorporation. The Company's current dividend or distribution policy is to retain any earnings and other cash resources for the operation and development of the Company's business. Any decision to pay dividends on Common Shares in the future will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of the date of this AIF, 149,003,132 Common Shares of the Company were issued and outstanding as fully paid and non-assessable shares. In addition to its issued and outstanding Common Shares, the Company has 6,066,667 securities-based awards under grant to Directors, officers, employees and consultants of the Company, comprised of 4,450,000 incentive stock options (“Options”), 616,667 Restricted Share Units (“RSUs”) and 1,000,000 Deferred Share Units (“DSUs”). Each RSU, DSU and Option represents the right to receive or acquire one Common Share of the Company. Accordingly, the Company's fully diluted capitalization is 155,069,799 Common Shares.

All of the authorized Common Shares of the Company are of the same class and, once issued, rank equally as to dividends, voting powers and participation in assets and in all other respects, on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The issued Common Shares are not subject to call or assessment by the Company nor are there any pre-emptive, conversion, exchange, redemption or retraction rights attaching to the Common Shares.

All registered shareholders are entitled to receive a notice of any general meeting of shareholders to be convened by the Company. At any general meeting, subject to the restrictions on joint registered owners of Common Shares, every shareholder who is in attendance and entitled to vote has one vote, and on a poll, every shareholder has one vote for each Common Share of which it is the registered owner and may exercise such vote either in person or by proxy. The Company's Articles provide that the rights and provisions attached to any class of shares in which shares are issued may not be modified, amended or

varied unless consented to by special resolution passed by a majority of not less than 66 2/3% of the votes cast in person or by proxy by holders of shares of that class.

Stock Options

The Company adopted a “rolling” stock option plan (the “**Stock Option Plan**”) that was approved by shareholders on May 22, 2008, which governs the Company's granting of Options to directors, officers, employees and consultants. The maximum number of Common Shares that may be reserved for issuance under outstanding Options granted pursuant to the Stock Option Plan is a number equal to 10% of the Company's issued and outstanding Common Shares as constituted on the date of any grant of Options under the Stock Option Plan. In accordance with TSX-V policies, the Stock Option Plan must be approved by shareholders of the Company and the Exchange annually. The Stock Option Plan last received shareholder and regulatory approval on June 8, 2021 (the date of the Company's last annual meeting of shareholders) and June 17, 2021, respectively.

As at the date of this AIF, the Company had 4,450,000 outstanding Options under grant, to purchase up to 4,450,000 Common Shares of the Company, representing approximately 3.0% of the Company's issued and outstanding shares, at exercise prices ranging from C\$1.41 to C\$2.25 and expiring periodically through to November 6, 2029.

Under the Stock Option Plan, options are exercisable over periods of up to 10 years as determined by the Board and require an exercise price no less than the closing market price of the Company's shares prevailing on the last trading day immediately preceding the day that the option is granted less the applicable discount, if any, permitted by the policies of the TSX-V and approved by the Board. The Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The number of shares which may be reserved for issuance to any one individual may not exceed (without shareholder approval) 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion, subject to the TSX-V's minimum vesting requirements.

In compliance with the recently revised Exchange Policy 4.4, the Company has updated the Stock Option Plan. The revised stock option plan (the “**2022 Plan**”), which was approved by the Board on April 26, 2022, is materially unchanged from the Stock Option Plan, with minor revisions adopted to align with terminology used in Exchange Policy 4.4. The 2022 Plan will be implemented if, and as of the date on which it is, approved by shareholders at the Company's annual general meeting scheduled for June 8, 2022.

Additional details regarding the Stock Option Plan and the 2022 Plan are provided in the Company's Information Circular dated April 26, 2022, which is available on SEDAR and on the Company's website. Interested parties may obtain a paper copy of the Company's current stock option plan by contacting the Corporate Secretary of the Company at 604-685-6269 or info@bearcreekmining.com.

Restricted Share Units and Deferred Share Units

On April 2, 2016 the Board adopted a long term incentive plan (the “**LTIP**”), which was approved by the shareholders (excluding, as required by the TSX-V policies, the votes of any shareholders who are, or are associates of, directors or officers of the Company) at the Company's annual general meeting held on June 2, 2016. The purpose of the LTIP is to advance the Company's interests by (a) increasing the proprietary interests of eligible participants in the Company; (b) aligning the interests of eligible participants with the interests of the shareholders of the Company generally; (c) encouraging eligible participants to remain

associated with the Company; and (d) furnishing eligible participants with an additional incentive to achieve the goals of the Company.

The LTIP provides the Company with the ability to grant RSUs and DSUs to eligible participants (as defined in the LTIP). Under the LTIP, an officer, Director, employee, or consultant of the Company who has been designated by the Company for participation, and who agrees to participate, in the LTIP, is eligible to receive RSUs pursuant to the LTIP. An officer, Director, or employee (but not a consultant) of the Company who has been designated by the Company for participation, and who agrees to participate, in the LTIP is eligible to receive DSUs pursuant to the LTIP.

The maximum number of Common Shares the Company is entitled to issue from treasury under the LTIP for payments in respect of awards of RSUs and DSUs is an aggregate of 5,000,000 Common Shares (the “**LTIP Limit**”). The LTIP, together with all other previously established or proposed share compensation arrangements of the Company (including the Stock Option Plan, may not result in:

- the number of Common Shares reserved for issuance exceeding 10% of the outstanding issue;
- the number of Common Shares reserved for issuance to insiders exceeding 10% of the outstanding issue;
- the issuance to insiders, within a one-year period, of a number of Common Shares exceeding 10% of the outstanding issue; or
- the issuance to any one insider and such insider's associates, within a one-year period, of a number of Common Shares exceeding 5% of the outstanding issue.

Unless otherwise approved by the Board, RSUs vest over a three year period commencing on the first anniversary of the grant date, and DSUs vest only upon the awardee ceasing to be an eligible DSU Participant (as defined in the LTIP). As at the date of this AIF, the Company has granted 1,000,000 RSUs (of which 383,333 have vested and were paid to holders on May 10, 2021 and 616,667 remain outstanding) and 1,000,000 DSUs (of which none have vested). The cumulative grant to date of 2,000,000 RSUs and DSUs represents approximately 1.3% of the Company's issued and outstanding shares as of the date of this AIF.

As of the date of this AIF, a cumulative total of 6,066,667 stock options, RSUs and DSU's are outstanding, representing approximately 4.1% of the Company's issued and outstanding shares. In accordance with the terms of the Stock Option Plan and the LTIP, as of the date of this AIF a maximum of 8,450,313 Options, RSUs and DSUs, representing 8,450,313 underlying common shares, are reserved, and are eligible, for issuance, of which no more than 3,000,000 may be in the form of RSUs and/or DSUs (5,000,000 LTIP Limit less 2,000,000 cumulative RSUs and DSUs granted to date).

Additional details regarding the LTIP are provided in the Company's Information Circular dated April 20, 2016, which is available on SEDAR and on the Company's website. Any interested party may obtain a paper copy of the LTIP by contacting the Corporate Secretary of the Company at info@bearcreekmining.com or 604-685-6269.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's Common Shares are listed and traded in Canada on the TSX-V and in Peru on the BVL, both under the symbol "BCM", and are posted for trading in the United States on the OTCQX under the symbol "BCEKF" and on the Börse Frankfurt under the symbol "OU6". The Company trades in C\$ on the TSX-V, in US\$ on the BVL and the OTCQX and in Euros on the Börse Frankfurt. Trading of the Company's Common Shares on the TSX-V during the year ended December 31, 2021 accounted for approximately 81% of the average daily trading volume on a worldwide basis, with approximately 18% of the average daily trading

volume occurring on the OTCQX. The remaining 1% of average daily trading volume occurred on the BVL and Börse Frankfurt. The following table sets forth the price ranges and average daily trading volume of the Company's Common Shares, on a monthly basis, on the TSX-V and on the OTCQX during the Company's most recently completed financial year.

TSX-V: BCM ⁽¹⁾ 2021 Trading Data

Period – 2021	High (C\$)	Low (C\$)	Avg. Daily Volume
January	3.37	2.32	329,315
February	3.20	2.25	444,413
March	2.47	1.95	411,741
April	2.44	1.79	278,871
May	2.075	1.62	353,076
June	1.98	1.55	248,583
July	1.68	1.24	168,772
August	1.51	1.28	116,258
September	1.48	0.92	222,363
October	1.97	0.95	388,047
November	1.89	1.16	200,204
December	1.52	1.13	277,802

OTCQX: BCEKF ⁽²⁾ 2021 Trading Data

Period - 2021	High (US\$)	Low (US\$)	Avg. Daily Volume
January	2.65	1.88	98,563
February	2.37	1.75	84,415
March	1.95	1.58	58,770
April	1.92	1.46	60,511
May	1.68	1.43	59,130
June	1.62	1.24	68,175
July	1.40	0.99	69,944
August	1.23	1.01	21,175
September	1.16	0.74	58,523
October	1.60	0.75	87,121
November	1.50	0.91	41,758
December	1.20	0.86	63,189

(1) Source: TMX Datalinx

(2) Source: OTC Markets Group

Prior Sales

The following table summarizes the securities of the Company that are outstanding as at the date of this AIF, but not listed or quoted on a marketplace, that were issued by the Company during the financial year ended December 31, 2021:

Date of Issuance	Cumulative Number of Securities	Issue or Exercise Price or Fair Market Value per Common Share (C\$)	Expiry Date	Reason for Issuance
April 26, 2021	1,000,000 DSUs	\$1.98	Not Applicable	Grant of DSUs

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, province or state, country of residence, position or office held with the Company, principal occupation during the past five years of, and common shares of the Company held by, each of the Directors and executive officers of the Company (as of the date of this AIF) are described below. The term of office of each Director will expire at the next annual general meeting of shareholders, scheduled for June 8, 2022.

Name and Jurisdiction of Residence ⁽¹⁾	Current position(s) with the Company	Principal occupation or employment during the past 5 years ⁽¹⁾	Current Board committee membership(s) (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly ⁽¹⁾
Catherine McLeod-Seltzer British Columbia, Canada	Chair	Corporate Director	Compensation	September 30, 1999	1,549,895
Anthony Hawkshaw British Columbia, Canada	President and CEO, Director	President and CEO, and Director of Bear Creek Mining Corporation		October 1, 2017	270,433
Andrew T. Swarthout Utah, USA	Director	Former Executive Chairman, and former President and CEO, of Bear Creek Mining Corporation	Operations, Safety and Sustainability	April 22, 2003	1,444,592

Name and Jurisdiction of Residence ⁽¹⁾	Current position(s) with the Company	Principal occupation or employment during the past 5 years ⁽¹⁾	Current Board committee membership(s) (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly ⁽¹⁾
Kevin Morano Florida, USA	Director	Principal of KEM Capital LLC, a private investment and advisory firm	Compensation*, Nominating and Corporate Governance	April 22, 2003	1,271,262 ⁽³⁾
Stephen Lang Missouri, USA	Director	Corporate Director	Nominating and Corporate Governance*, Audit, Operations, Safety and Sustainability	June 6, 2018	25,000
Erfan Kazemi British Columbia, Canada	Director	Chief Financial Officer of Sandstorm Gold Ltd.	Audit*, Nominating and Corporate Governance	June 6, 2018	37,211
Alfredo Bullard Lima, Peru	Director	Lawyer, author, professor and partner in the legal firm of Bullard Falla Ezcurre +	Audit	March 6, 2019	17,500
Alan Hair Ontario, Canada	Director	Corporate Director	Operations, Safety and Sustainability*, Compensation	September 16, 2019	12,211
Eric Caba Lima, Peru	Chief Operating Officer	Officer of Bear Creek Mining Corporation, mining engineering consultant	N/A	March 15, 2018	78,162
Paul Tweddle Lima, Peru	Chief Financial Officer	Officer of Bear Creek Mining Corporation, CFO Oben Holding Group (Peru)	N/A	March 1, 2018	16,250

Name and Jurisdiction of Residence ⁽¹⁾	Current position(s) with the Company	Principal occupation or employment during the past 5 years ⁽¹⁾	Current Board committee membership(s) (*Chair)	Director or Officer Since	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly ⁽¹⁾
Barbara Henderson British Columbia, Canada	Vice President Corporate Communications and Corporate Secretary	Officer of Bear Creek Mining Corporation	N/A	June 22, 2015	63,980

(1) The information as to the jurisdiction of residence and principal occupation, and common share holdings, not being within the knowledge of the Company, has been furnished by each of the respective individuals.

Each of the Company's Directors is elected by the Company's shareholders at an annual general meeting to serve until the next annual general meeting of shareholders or until a successor is elected or appointed. The Board appoints the Company's executive officers annually after each annual general meeting, to serve at the discretion of the Board.

Based on information provided by such persons, as at the date of this AIF, the Directors and executive officers of the Company listed in the table above, as a group beneficially own, or control or direct, directly or indirectly, an aggregate of 4,786,496 common shares of the Company, representing approximately 3.2% of the issued and outstanding common shares of the Company. In addition, the Directors and executive officers of the Company as a group hold 1,505,000 RSUs, DSUs and stock options to purchase of an aggregate of 5,105,000 Common Shares in the capital of the Company, which options have exercise prices ranging from C\$1.41 to C\$2.73 and expire periodically through to November 6, 2029.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the Company's Directors or executive officers is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any Company (including the Company) that:

- (a) was subject to an Order (as defined below) that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

“**Order**” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant Company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Company, other than as disclosed below with respect to Stephen Lang, none of the Company's Directors or executive officers or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Stephen Lang was a director of Hycroft Mining Corporation ("**Hycroft**") (formerly Allied Nevada Gold Corp.) which on March 10, 2015, together with certain of its domestic direct and indirect subsidiaries, filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**Delaware Bankruptcy Court**"). On October 8, 2015, Hycroft's plan of reorganization was approved by the Delaware Bankruptcy Court, and effective October 22, 2015, Hycroft completed its financial restructuring process and emerged from Chapter 11 bankruptcy.

Conflicts of Interest

Except as disclosed below, to the best of the Company's knowledge, as of the date of this AIF there are no existing or potential material conflicts of interest between the Company or any of its subsidiaries and any Director or officer of the Company or its subsidiaries.

Messrs. Andrew Swarthout and Erfan Kazemi are Directors of the Company and serve as a director (in the case of Mr. Swarthout) and officer (in the case of Mr. Kazemi) of Sandstorm Gold Ltd., which company is a party to the Gold Purchase Agreement and the Convertible Debenture, as described above under "Three Year History and Significant Acquisitions". As disclosed below under "Interest of Management and Others in Material Transactions", Messrs. Swarthout and Kazemi did not participate in material discussions regarding, and abstained from voting to approve any aspect of, the Mercedes acquisition, including negotiations regarding the Gold Purchase Agreement and the Convertible Debenture.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Other than as disclosed below, as of the date of this AIF there are no legal proceedings to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's property

is or was a party during the last financial year, and there are no such proceedings known by the Company to be contemplated.

The Company is named in a civil lawsuit in Peru filed by the MEM on July 5, 2011 (the “**MEM Civil Suit**”). The Peruvian court responsible for the MEM Civil suit issued a resolution in 2019 declaring that the MEM Civil Suit would be dismissed on the basis that the claim is moot. Parties to this action have been notified of this resolution and the deadline to appeal the resolution has expired. However, as of the date of this AIF, the court has not yet certified to the Company that the resolution has *not* been appealed by the MEM. The Company believes the MEM Civil Suit will be definitively dismissed in due course. Information regarding the history of the MEM Civil Suit is available under “Three Year History and Significant Acquisitions – Santa Ana Project” in the Company's AIF for the year ended December 31, 2020, available on SEDAR.

Regulatory Actions

There are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year and up to the date of this Annual Information Form; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this Annual Information Form.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

On December 17, 2021 the Company issued a news release announcing its acquisition of the Mercedes gold mine, located in Sonora, Mexico, from Equinox Gold Corp., which acquisition constitutes a material transaction. Prior to this announcement the Board held a number of meetings at which the merits, risks, and proposed terms of the acquisition were discussed, and formed a special committee (the Transaction Committee) to evaluate and advise the Board with respect to the proposed Mercedes acquisition transaction. As disclosed in the December 17, 2021 news release, the terms of the Company's acquisition of the Mercedes Mine include US \$60 million in financing from Sandstorm Gold Ltd., on which company's board Mr. Swarthout serves as a director and of which Mr. Kazemi is the Chief Financial Officer. On December 16, 2021 the Board approved the Company's acquisition of Mercedes. In accordance with applicable corporate laws and the Company's Articles of Incorporation, at all meetings of the Board during which the Mercedes acquisition was discussed, and with respect to all Board resolutions regarding the Mercedes acquisition, Messrs. Swarthout and Kazemi declared their interest in the transaction stemming from their relationship with both the Company and Sandstorm Gold Ltd., did not participate in material discussions regarding the transaction and abstained from voting to approve any aspect of the transaction.

Aside from the matter above, no Director, executive officer, person or company that owns 10% or greater of the Company's issued and outstanding shares, or any associate or affiliate of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Common Shares of the Company is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company has not entered into any material contracts within the most recently completed financial year or before the most recently completed financial year (but after January 1, 2002) that are still in force and effect and that may reasonably be regarded as presently material.

INTERESTS OF EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the AIF as having prepared or certified a part of that document or a report of valuation described in the AIF:

1. The 2019 Corani Report was authored by the following QPs: Greg Lane, FAusIMM, Ausenco Services Pty Ltd; Kevin Gunesch, PE, Global Resource Engineering Ltd.; Terre Lane, MMSA, Global Resource Engineering Ltd.; Todd Harvey, SME Registered Member, Global Resource Engineering Ltd; Hamid Samari, MMSA, Global Resource Engineering Ltd.; Denys Parra, SME Registered Member Anddes Asociados SAC; Eduardo Ruiz, EFG Register Member, Anddes Asociados SAC; David Arcos, EFG Register Member, Amphos 21 Consulting, S.L.; and, Michael Meyer, Ph.D., MMSA, Meyer EPS Inc.
2. The 2022 Mercedes Report was authored by the following QPs: Colin Hardie, P.Eng, BBA Engineering Inc.; Todd McCracken, P.Geo., BBA Engineering Inc.; David Willock, P.Eng., BBA Engineering Inc.; Shane Ghouralal, P.Eng., BBA Engineering Inc.; and, Julie-Anais Debreil, P.Geo., G Mining Services Inc.
3. With the exception of the section titled "Summary Section of the 2019 Corani Report" and "Summary Section of the 2022 Mercedes Report" herein, the information provided in this AIF related to the Company's Mineral Projects, while not disclosing scientific or technical information or results, is based on work programs and initiatives conducted under the supervision of Andrew Swarthout, AIPG Certified Professional Geologist, a director of the Company and a QP.
4. The Company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated April 26, 2021 in respect of the Corporation's consolidated financial statements as at December 31, 2021 and December 31, 2020 and for the years then ended.

Interests of Experts

Based on information provided by the experts named under Items 1 and 2 of "Names of Experts" above (the "Report Authors") as of the date on which they certified a part of that document or a report of valuation described in the AIF, the registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates of each of the Report Authors represents less than one per cent of the Company's outstanding securities. None of the Report Authors is or is expected to be elected, appointed or employed as a Director, officer or employee of the Company or of any associate or affiliate of the Company.

Andrew Swarthout, AIPG Certified Professional Geologist, is a director of the Company and holds 1,444,592 Common Shares, representing approximately 1.0% of the Company's outstanding Common Shares. Mr. Swarthout also holds stock options exercisable to purchase 450,000 Common Shares at exercise prices ranging from C\$1.50 to C\$2.05 and expiry dates ranging from February 26, 2028 to February 1, 2029, 50,000 unvested RSUs and 1,000,000 unvested DSUs.

PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The following is the text of the Audit Committee's Charter:

General

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting and financial reporting processes and provision of financial information to the shareholders and others, the systems of internal controls and disclosure controls, the internal and external audit processes, the policies with regard to ethics and business practices, and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditor, senior management and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditor.

Composition

The Audit Committee shall be composed of a minimum of three directors. The members shall be appointed annually by the Board, typically at the first meeting of the Board following the annual shareholder's meeting. Unless a Chair is appointed by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

All members of the Audit Committee shall meet the independence, financial literacy and experience requirements under applicable laws, rules and regulations binding on the Company from time to time, including without limitation the applicable rules of any stock exchanges upon which the Company's securities are listed and any requirements for independence and financial literacy under applicable securities laws.

Procedural Matters

The Audit Committee shall be governed by the Terms of Reference for Committees adopted by the Board, save as modified by the procedural requirements and powers provided in this Charter. The Audit Committee:

- (a) Shall meet at least four times per year, either by telephone conference or in person. Any member of the Audit Committee may call such a meeting.
- (b) May invite the Company's external auditor, the CFO, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee. As part of its job to foster open communication, the Audit Committee shall meet at least annually with the CFO and the external auditor in separate sessions.
- (c) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate, at the next Board meeting.

- (d) Shall review the performance of the Audit Committee on an annual basis and report the results of such review to the Board.
- (e) Shall review and assess this Charter for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. The Audit Committee has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties, and the right to set and pay the compensation for any such counsel or advisors engaged by the Audit Committee.
- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process (“internal audit management”) and the external auditor.

Responsibilities

Subject to the powers and duties of the Board, the Board hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board.

Financial Reporting, Accounting and Financial Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee shall:

- (a) Review and recommend to the Board for approval the Company's financial statements, Management's Discussion and Analysis, Annual Information Form (if any), future-oriented financial information or pro-forma information, and other financial disclosure in continuous disclosure documents, including any annual and interim profit or loss press releases and any certification, report, opinion or review rendered by the external auditor, before the Company publicly discloses such information. (See also “*Interim Financial Statements*” below.)
- (b) Ensure that it is satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (other than public disclosure referred to in subsection (a) immediately above) and periodically assess the adequacy of those procedures as necessary.
- (c) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks, and the success of management in following the plan.
- (d) Consult annually and otherwise as required with the Company's President and CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (e) Review process as necessary with regard to certifications, and obtain certifications by the President and CEO and CFO attesting to disclosure controls and procedures and internal control over financial reporting as required or advisable.
- (f) Review management's response to significant written reports and recommendations issued by the external auditor and the extent to which such recommendations have been implemented by management. Review such responses with the external auditor as necessary.

- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Charter, including in the Company's Information Circular and on the Company's website.

External Auditor

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditor, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with management, but the external auditor shall report directly to the Audit Committee. The Audit Committee has the right to communicate directly with the internal and external auditors. The specific responsibilities of the Audit Committee with regard to the external auditor are to:

- (a) Recommend to the Board annually:
 - (i) the external auditor to be nominated (whether the current external auditor or a suitable alternative) for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Company; and
 - (ii) the compensation of the external auditor.
- (b) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
- (c) Resolve disagreements, if any, between management and the external auditor regarding financial reporting. To resolve such disagreements, the Audit Committee shall query management and the external auditor and take other steps as necessary. The Audit Committee shall provide the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditor, including but not limited to pre-approving any non-audit related services provided by the external auditor to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditor. If necessary, recommend to the Board to take appropriate corrective action to ensure the independence of the external auditor.
- (e) Review and pre-approve all audit and audit-related services and the fees related thereto, provided by the Company's external auditor.
- (f) Review and pre-approve all non-audit services to be performed by the Company's external auditor, in accordance with any applicable regulatory and securities law requirements and the requirements of any stock exchange upon which the Company's shares are listed with respect to approval of non-audit related services performed by the external auditor. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of the Audit Committee if it first adopts specific policies and procedures respecting same in accordance applicable securities laws and provided that any

such pre-approval decisions are presented to the full Audit Committee for approval at its next meeting.

- (g) Obtain from the external auditor confirmation that the external auditor is a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations.
- (h) Review and evaluate the performance of the external auditor, including without limitation the external auditor's internal quality-control procedures.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditor.

Audit and Financial Reporting Process

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and are prepared in accordance with the applicable generally accepted accounting principles. To accomplish this, the Audit Committee shall:

- (a) Review at least annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits,
- (b) Prior to the annual audit by the external auditor, consider the scope and general extent of the external auditor's review, including its engagement letter. Review with management the external auditor's audit plan and intended template for financial statements.
- (c) Ensure the external auditor has full, unrestricted access to required information and has the cooperation of management.
- (d) Review with the external auditor, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, or significant judgments made by management that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of any related-party transactions.
- (f) Receive and review with the external auditor, the external auditor's audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Review annually the integrity of the Company's internal and external financial reporting and accounting principles, including the clarity, completeness and accuracy of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditor. The Audit Committee shall direct management to implement

such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.

- (h) Meet at least annually with the external auditor, independent of management, consider external auditor's judgments about the quality and appropriateness of the Company's accounting principles and practices, and report to the Board on such meetings.

Interim Financial Statements

The Board shall generally approve the Company's annual and interim financial statements. Notwithstanding the foregoing, the Board may from time to time delegate to the Audit Committee the power to approve the Company's interim financial statements.

The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditor.
- (b) Review the interim financial statements with the external auditor if the external auditor conducts a review of the interim financial statements.
- (c) Conduct all such reviews and discussions with the external auditor and management as the Audit Committee deems appropriate.
- (d) Review and, if such authority has been delegated to the Audit Committee by the Board, approve the interim financial statements.
- (e) If authority to approve the interim financial statements has not been delegated to the Audit Committee, make appropriate recommendation to the Board respecting approval of the interim financial statements.

Ethics

The Audit Committee has primary responsibility for overseeing the application of, and compliance with, the Company's Code of Business Conduct and Ethics (the "Code"). The Audit Committee shall review at least annually:

- (a) the Code,
- (b) management's approach to business ethics and corporate conduct; and
- (c) programs used by management to monitor compliance with the Code.

Complaints and Concerns

The Audit Committee shall ensure that the Company has adequate procedures in place for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters (collectively, "complaints").

Subject to applicable law, complaints, including those under the Company's Whistleblower Policy, may be made anonymously and, if not made anonymously, the identity of the person submitting such complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the

complaint shall be documented and kept in the records of the Audit Committee for a period of at least three years or otherwise pursuant to the Company's records retention policy, if any.

Reporting

The Audit Committee shall report to the Board at its regularly scheduled meetings.

Audit Committee Function

Composition of the Audit Committee and Relevant Education and Experience

The following are the members of the Audit Committee:

Name	Independence ⁽¹⁾	Financial Literacy ⁽¹⁾
Erfan Kazemi (Chair)	Independent	Financially literate
Stephen Lang	Independent	Financially literate
Alfredo Bullard	Independent	Financially literate

(1) As defined in NI 52-110.

Messrs. Kazemi, Lang and Bullard are all financially literate in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Mr. Kazemi, Chair of the Audit Committee, is the Chief Financial Officer of Sandstorm Gold Ltd., a company that provides stream and royalty financing to the mining sector. Since 2011, Mr. Kazemi has helped raise half a billion dollars in debt and equity capital and has deployed more than \$600 million in over 30 transactions. Prior to joining Sandstorm, Mr. Kazemi was a Senior Manager with PricewaterhouseCoopers where he managed the audits of billion-dollar multinational entities and assisted clients in areas such as public financings, mergers and acquisitions, US/SEC securities filings, and various other areas. Mr. Kazemi is a Chartered Professional Accountant (CA), a Chartered Financial Analyst charter holder and is a graduate of the University of British Columbia where he received a Bachelor of Science (Mathematics). Mr. Kazemi sits or has previously served on the board of several community and academic organizations, and has received numerous awards for his professional and charitable achievements including CFO of the Year by Business in Vancouver, Canada's Top 40 under 40 Award, the Institute of Chartered Accountants of British Columbia's Early Achievement Award and Community Service Award and the University of British Columbia Alumni Association's Outstanding Student of the Year Award.

Mr. Lang is the Chair of Hudbay Minerals, Chair of Hycroft Mining Holding Corporation, and a director of International Tower Hill Mines Ltd. and Argonaut Gold Inc. Mr. Lang was formerly the Chairman and, prior to that, President and CEO, of Centerra Gold Inc. He has over 40 years' experience in the mineral sector including engineering, development and production in gold, coal, platinum group metals and copper operations, and has held senior executive positions at a number of global mining companies including, in addition to Centerra Gold, Barrick Gold, Stillwater Mining, Kinross Gold, Rio Algom and Santa Fe Pacific Gold. Mr. Lang earned a Bachelor of Science degree in Mining Engineering from the University of Missouri-Rolla and a Master's degree in Mining Engineering from the University of Missouri-Rolla.

Mr. Bullard is an accomplished lawyer, author and professor and is a Partner in the Lima, Peru law firm Bullard Falla Ezcurra +. Mr. Bullard's legal expertise focuses on law and economics, including competition, economic regulation, property, consumer protection, torts, contracts and international trade and arbitration. He is a professor of a variety of these subjects in undergraduate- and graduate-level programs at Peruvian and international universities and has authored numerous books and articles on law and

economics. Mr. Bullard is a member of the International Bar Association and various other legal institutions and has served as an arbitrator on more than 200 cases administered by both Peruvian and international arbitration courts. He is the recipient of numerous awards and recognitions related to his outstanding legal career. Mr. Bullard graduated from the Law School of Pontificia Universidad Católica del Perú and holds a Master's degree in law from Yale University in the United States.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Section 3.2 of NI 52-110 (*Initial Public Offerings*), Section 3.3(2) of NI 52-110 (*Controlled Companies*), Section 3.4 of NI 52-110 (*Events Outside Control of Member*), Section 3.5 of NI 52-110 (*Death, Disability or Resignation of Audit Committee Member*), Section 3.6 of NI 52-110 (*Temporary Exemption for Limited and Exceptional Circumstances*) or Section 3.8 of NI 52-110 (*Acquisition of Financial Literacy*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above in the Audit Committee's Charter under the heading "External Auditor".

External Auditor Service Fees (By Category)

PricewaterhouseCoopers LLP has served as the independent auditors for the Company since August 1, 2006 and acted as the Company's independent auditors for the financial year ended December 31, 2021. The chart below sets forth the total amount billed to the Company by the Company's auditors for services performed in the last two financial years and breaks down these amounts by category of service (for audit fees, audit-related fees, tax fees and all other fees):

Financial Year Ended	Audit Fees ⁽¹⁾ (C\$)	Audit-Related Fees ⁽²⁾ (C\$)	Tax Fees ⁽³⁾ (C\$)	All Other Fees ⁽⁴⁾ (C\$)
December 31, 2021	38,632	50,558	317,403	Nil
December 31, 2020	97,535	95,700	14,086	Nil

- (1) "Audit Fees" are the aggregate fees charged by the Company's auditors for the audit of the Company's consolidated annual financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit-Related Fees" are fees charged by the Company's auditors for assurance and related services such as review of quarterly financial statements, that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees." For the financial year ended December 31, 2020, Audit-Related Fees also include fees paid to the Company's auditors in respect of a prospectus supplement, which was filed with the securities commissions of all of the provinces and territories of Canada except Quebec, on February 10, 2020 and a base shelf prospectus, which was filed with the securities commissions of all of the provinces and territories of Canada except Quebec, on October 29, 2020. For the financial year ended December 31, 2021, Audit-Related Fees also include fees paid to the Company's auditors in respect of a prospectus supplement, which was filed with the securities commissions of all of the provinces and territories of Canada except Quebec, on January 8, 2021.
- (3) "Tax Fees" are fees charged by the Company's auditors for tax compliance, tax advice and tax planning, including, during 2021, fees related to acquisition of the Mercedes Mine.
- (4) "All Other Fees" are fees charged by the Company's auditors for products and services other than as set out under the heading "Audit Fees", "Audit-Related Fees" and "Tax Fees" Exemption in 6.1 of NI 52-110.